Supreme Court, U.S.
FILED

No. 05-763 DEC 9 - 2005

OFFICE OF THE CLERK

IN THE

Supreme Court of the United States

RESEARCH IN MOTION, LTD.,
Petitioner,

v.

NTP, INC.,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

PETITION FOR A WRIT OF CERTIORARI

GORDON D. GIFFIN
MCKENNA LONG & ALDRIDGE LLP
303 Peachtree Street, N.E.
Atlanta, GA 30308
(404) 527-4000

HERBERT L. FENSTER
Counsel of Record
LAWRENCE S. EBNER
JAMES D. THAYER
MCKENNA LONG & ALDRIDGE LLP
1900 K Street, N.W.
Washington, D.C. 20006
(202) 496-7500

Attorneys for Petitioner

[Additional counsel on inside cover]

WILSON-EPES PRINTING CO., INC. – (202) 789-0096 – WASHINGTON, D. C. 20001

HENRY C. BUNSOW
DAVID W. LONG
MARK L. WHITAKER
HOWREY LLP
1299 Pennsylvania Ave., N.W.
Washington, D.C. 20004
(202) 383-7073

MARTIN R. GLICK
HOWARD RICE NEMEROVSKI
CANADY FALK & RABKIN
Three Embarcadero Center
Seventh Floor
San Francisco, CA 94111
(415) 434-1600

QUESTION PRESENTED

Under § 271(a) of the Patent Act, "use" infringement is expressly limited to use of a patented invention "within the United States." The question presented is:

Whether an Internet-based global telecommunications system, such as the BlackBerry wireless email system, is used "within the United States," where components crucial to the system's operation are located outside the United States.

RULE 29.6 CORPORATE DISCLOSURE STATEMENT

Petitioner Research In Motion, Ltd. has no corporate parent, and there is no publicly held company that owns 10 percent or more of its stock.

TABLE OF CONTENTS

	Page
QUESTION PRESENTED	i
RULE 29.6 CORPORATE DISCLOSURE STATEMENT	ii
TABLE OF AUTHORITIES	vi
OPINIONS BELOW	1
JURISDICTION	1
STATUTE INVOLVED	1
STATEMENT	2
A. Nature Of The Case	2
B. Statutory Background	3
C. The Transnational BlackBerry System	3
D. Proceedings Below	7
REASONS FOR GRANTING THE PETITION	11
I. THIS CASE PRESENTS A LANDMARK OPPORTUNITY TO ADDRESS THE NEED FOR CLEAR AND UNIFORM, TWENTY-FIRST CENTURY JURISPRUDENCE ON HOW COURTS SHOULD APPLY THE EXPRESS TERRITORIAL LIMITATION OF § 271(a) OF THE PATENT ACT TO INTERNET-BASED SYSTEMS THAT OPERATE WITH VITAL COMPONENTS LOCATED OUTSIDE THE UNITED STATES	11

TABLE OF CONTENTS—Continued

Page

II. THE FEDERAL CIRCUIT'S OPINION CONFLICTS WITH THIS COURT'S ADMONITION IN *DEEPSOUTH* THAT COURTS SHOULD NOT GIVE THE PATENT LAWS EXTRATERRITORIAL EFFECT ABSENT A "CLEAR AND CERTAIN SIGNAL FROM CONGRESS" 18

III. THE FEDERAL CIRCUIT'S INTERPRETATION OF § 271(a) IS UNWORKABLE, AS WELL AS INCORRECT 22

CONCLUSION 30

APPENDIX

NTP, Inc. v. Research In Motion, Ltd., 418 F.3d 1282 (Fed. Cir. 2005) 1a

Order of the United States Court of Appeals for the Federal Circuit (Oct. 7, 2005) 73a

Order of the United States Court of Appeals for the Federal Circuit (Aug. 2, 2005) 74a

NTP, Inc. v. Research In Motion, Ltd., 392 F.3d 1336 (Fed. Cir. 2004) 78a

Final Order of the United States District Court for the Eastern District of Virginia (Aug. 5, 2003) 137a

Memorandum Opinion of the United States District Court for the Eastern District of Virginia (Aug. 5, 2003) 141a

The United States' Statement of Interest in the United States District Court for the Eastern District of Virginia (Nov. 8, 2005) 157a

TABLE OF CONTENTS—Continued

Page

Order of the United States District Court for the Eastern District of Virginia Denying the Enforcement of a Settlement (Nov. 30, 2005) 176a

TABLE OF AUTHORITIES

CASES	Page
Ashcroft v. ACLU, 542 U.S. 656 (2004)	12
AT&T Corp. v. Microsoft Corp., 414 F.3d 1366 (Fed. Cir. 2005)	18
Cardinal Chem. Co. v. Morton Int'l, Inc., 508 U.S. 83 (1993)	19
Dawson Chem. Co. v. Rohm & Haas Co., 448 U.S. 176 (1980)	3, 11
Decca, Ltd. v. United States, 544 F.2d 1070 (Ct. Cl. 1976)	26, 27, 29
Deepsouth Packing Co. v. Laitram Corp., 406 U.S. 518 (1972)	*passim*
Dowagiac Mfg. Co. v. Minnesota Moline Plow Co., 235 U.S. 641 (1915)	15
eBay, Inc. v. MercExchange, L.L.C., No. 05-130 (S. Ct. Order, Nov. 28, 2005)	12
EEOC v. Arabian Am. Oil Co., 499 U.S. 244 (1991)	21
Eolas Techs., Inc. v. Microsoft Corp., 399 F.3d 1325 (Fed. Cir. 2005), *cert. denied*, No. 05-288 (Oct. 31, 2005)	18
F. Hoffman-La Roche Ltd. v. Empagran S.A., 542 U.S. 155, 124 S. Ct. 2359 (2004)	22
Hughes Aircraft Co. v. United States, 29 Fed. Cl. 197 (Fed. Cl. 1993)	27
IPXL Holdings, L.L.C. v. Amazon.com, Nos. 05-1009, 05-1487, 2005 WL 3097877 (Fed. Cir. Nov. 21, 2005)	25
Japan Whaling Ass'n v. Am. Cetacean Soc'y, 478 U.S. 221 (1986)	21
MAGICorp. v. Kinetic Present's, Inc., 718 F. Supp. 334 (D.N.J. 1989) (Chesler, Magistrate, Report & Recommendation)	29

TABLE OF AUTHORITIES—Continued

	Page
MEMC Elec. Materials, Inc. v. Mitsubishi Materials Silicon Corp., 420 F.3d 1369 (Fed. Cir. 2005)	16
Merck KGaA v. Integra Lifesciences I, Ltd., 125 S. Ct. 2372 (2005)	3
MGM Studios, Inc. v. Grokster, Ltd., 125 S. Ct. 2764 (2005)	17
Reno v. ACLU, 521 U.S. 844 (1997)	11
Rotec Indus., Inc. v. Mitsubishi Corp., 215 F.3d 1246 (Fed. Cir. 2000)	3, 19
Subafilms, Ltd. v. MGM-Pathe Commc'ns Co., 24 F.3d 1088 (9th Cir. 1994)	21
Union Carbide Chems. & Plastics Tech. Corp. v. Shell Oil Co., 425 F.3d 1366 (Fed. Cir. 2005), *pet. for reh. filed*, No. 04-1475 (Nov. 7, 2005)	17
United States v. Spelar, 338 U.S. 217 (1949)	21
Zoltek Corp. v. United States, 51 Fed. Cl. 829 (Fed. Cl. 2002), *appeal docketed*, Nos. 04-5100, 04-5102 (Fed. Cir. June 2, 2004)	18

CONSTITUTION AND STATUTES

U.S. Const. art. I, § 8, cl. 8	21
U.S. Const. art. II, § 2, cl. 2	21
28 U.S.C. § 1338(a)	8
28 U.S.C. § 1498	26
35 U.S.C. § 105	19
35 U.S.C. § 271(a)	*passim*
35 U.S.C. § 271(c)	19
35 U.S.C. § 271(f)	10, 19
35 U.S.C. § 271(g)	19
S. Rep. No. 101-266 (1990)	19
S. Rep. No. 82-1979 (1952)	3

TABLE OF AUTHORITIES—Continued

OTHER AUTHORITIES — Page

Brad Stone, *BlackBerry: Bring It On!*, Newsweek Enterprise, Sept. 26, 2005, at 38 ..... 6, 15

Curtis A. Bradley, *Territorial Intellectual Property Rights In An Age Of Globalism*, 37 Va. J. Int'l L. 505 (1997) 20, 21, 30

Dan L. Burk, *Patents In Cyberspace: Territoriality and Infringement of Global Computer Networks*, 68 Tul. L. Rev. 1 (1993) 13

Dan L. Burk, *Transborder Intellectual Property Issues on the Electronic Frontier*, 6 Stan. L. & Pol'y Rev. 9 (1994) 14, 27

Daniel P. Homiller, Note, *From Deepsouth to the Great White North: The Extraterritorial Reach of United States Patent Law After Research In Motion*, 2005 Duke L. & Tech. Rev. 0017 (2005), http://www.law.duke.edu/ journals/dltr /articles/PDF/2005DLTR0017.pdf 20

Donald S. Chisum, *Reforming Patent Law Reform*, 4 J. Marshall Rev. Intell. Prop. L. 336 (2005) 20, 22

Ian Austen, *Bye Bye BlackBerry*, N.Y. Times, Dec. 3, 2005, at C1, http://www.nytimes.com/ 2005/12/03/technology/03blackberry.html?8br. 12

Lee Gomes, *Patenting Good Ideas Could Hurt Companies Rather Than Aid Them,* Wall St. J., Aug. 23, 2004, at B1 12

Mark A. Lemley *et al.*, *Divided Infringement Claims*, 33 AIPLA Q.J. 255 (2005) 14

Mark Heinzl, *Thumb Wars: With Its BlackBerry a Big Hit, RIM Is Squeezed By All Comers*, Wall St. J., April 25, 2005, at A1 ..... 4, 6, 15

TABLE OF AUTHORITIES—Continued

	Page
Roger Parloff, *BlackBerry Held Hostage, Pay Up—Or You're Done For*, Fortune, Dec. 12, 2005, at 29	12
Stanley Young & Nishita Doshi, *Global Aspects of United States Patent Protection*, 823 PLI/Pat 363 (2005)	16
Tomas Kellner, *For RIM: Careful What You Ask For*, Forbes.com, Dec. 6, 2005, http://www.forbes.com/2005/12/05/rimm-federal-lawsuit-cz_tk_1206rimm_print.html	12
Viktor Mayer-Schönberger & Deborah Hurley, *Globalization of Communications, in* Governance in a Globalizing World (Joseph S. Nye & John D. Donahue eds., 2000)	13
Webster's Third New International Dictionary (1993)	23
William M. Bulkeley, *Aggressive Patent Litigants Pose Growing Threat to Big Business*, Wall St. J., Sept. 14, 2005, at A1	12
Yar Chaikovsky & Adrian Percer, *Globalization, Technology Without Boundaries & The Scope of U.S. Patent Law*, 9 No. 2 Intell. Prop. L. Bull. 95 (2005)	13, 16
Yuki Noguchi, *Fearful Messagers Cross Their Thumbs*, The Wash. Post, Dec. 2, 2005, at D1	12
Yuki Noguchi, *No Escape From E-Mail*, The Wash. Post, Sept. 29, 2004, at A1	6

Petitioner Research In Motion, Ltd. respectfully requests the Court to issue a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit.

OPINIONS BELOW

The Federal Circuit's opinion is reported as *NTP, Inc. v. Research In Motion, Ltd.*, 418 F.3d 1282 (Fed. Cir. 2005), and reproduced in the Appendix at 1a. The Federal Circuit's Order of August 2, 2005 withdrawing and amending its previous opinion is reproduced at App. 74a, and its previous opinion is reported as *NTP, Inc. v. Research In Motion, Ltd.*, 392 F.3d 1336 (Fed. Cir. 2004), and reproduced at App. 78a. The Final Order of the United States District Court for the Eastern District of Virginia is reproduced at App. 137a. The district court's Memorandum Opinion addressing the question presented by this appeal is reproduced at App. 141a.

JURISDICTION

The court of appeals entered final judgment on August 2, 2005, and denied a timely petition for panel rehearing and rehearing en banc on October 7, 2005 (App. 73a). This Court has jurisdiction under 28 U.S.C. § 1254(1).

STATUTE INVOLVED

Section 271(a) of the Patent Act states as follows:

> Except as otherwise provided in this title, whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent.

35 U.S.C. § 271(a).

STATEMENT

A. Nature Of The Case

This landmark intellectual property case involves the Canadian-based BlackBerry wireless email and data transmission system, which has become a vital communications tool for millions of subscribers, including federal, state, and local government officials, all types of mobile professionals, and an enormous variety of businesses in the United States, and users throughout the world. The case presents the Internet Age question of how the decades-old, express territorial limitation of § 271(a) of the Patent Act for "use" infringement should be applied to geographically borderless, "*transnational*" telecommunications systems, i.e., systems that operate with components that are located outside, as well as inside, the United States.

Section 271(a) expressly limits "use" infringement to use "*within the United States*." 35 U.S.C. § 271(a) (emphasis added). In 1972 this Court drew a bright line around the nation's borders when it held—in a patent infringement case involving manufacture and export of an unassembled shrimp deveining machine—that § 271(a) has no extraterritorial effect. *See Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518, 531 (1972). That was almost 35 years ago, prior to the advent of the Internet and email. The fundamental but cutting-edge question here, which the Court did not address when it decided *Deepsouth*, is whether the territorial limitation of § 271(a) to use "within the United States" precludes a finding of infringement where fixed, crucial operational components of an Internet-based global telecommunications system are located *outside* the United States.

B. Statutory Background

Congress originally enacted § 271(a) as part of a 1952 codification of the then-existing patent laws. *See Deepsouth*, 406 U.S. at 530 n.10. *See also Dawson Chem. Co. v. Rohm & Haas Co.*, 448 U.S. 176, 180 (1980) ("Congress endeavored . . . to substitute statutory precepts for the general judicial rules that had governed prior to that time."). Section 271(a) sets forth a "general rule" describing "an act of patent infringement." *Merck KGaA v. Integra Lifesciences I, Ltd.*, 125 S. Ct. 2372, 2376-77 (2005). *See also* S. Rep. No. 82-1979 (1952) (stating that § 271(a) "is a declaration of what constitutes infringement"). Under § 271(a), "mak[ing], us[ing], offer[ing] to sell, or sell[ing] any patented invention, *within the United States*" is an act of infringement. 35 U.S.C. § 271(a) (emphasis added). "The statute makes it clear that it is not an infringement to make or use a patented product outside of the United States." *Deepsouth*, 406 U.S. at 527 (citing *Dowagiac Mfg. Co. v. Minnesota Moline Plow Co.*, 235 U.S. 641, 650 (1915); *Brown v. Duchesne*, 60 U.S. (19 How.) 183 (1856)). In other words, infringing conduct under § 271(a) must occur entirely "within the bounds of this country." *Ibid.* The limitation to use "within the United States" has remained unchanged since enactment of § 271(a) more than half a century ago. *See Rotec Indus., Inc. v. Mitsubishi Corp.*, 215 F.3d 1246, 1251-53 (Fed. Cir. 2000) (discussing history of § 271(a)).

C. The Transnational BlackBerry System

1. Petitioner Research In Motion, Ltd. ("RIM"), a Canadian corporation, is the designer, manufacturer, and operator of the BlackBerry wireless email and data transmission system. RIM conducted its own research, and took all of the financial risks, to successfully market and pioneer the BlackBerry system. Since its introduction in 1999, the BlackBerry system has *revolutionized* email and data com-

munications by combining Internet and radio frequency ("RF") technology in a way that almost instantaneously transmits data, including but not limited to duplicates of incoming email messages, from an individual's office computer network to his or her mobile BlackBerry wireless handheld device. The BlackBerry system is a two-way system; it also enables an individual to compose an email message on a BlackBerry handheld device and send it through his or her office computer network to an email recipient anywhere in the world, including to other BlackBerry subscribers.

2. To the vast majority of subscribers, BlackBerry handheld devices are the only visible part of the system. The accused system, however, is comprised of additional components, primarily the Network Control Center, the system's indispensable electronic brain, which is located at RIM's corporate headquarters in Waterloo, Ontario, Canada. The Network Control Center actively routes encrypted emails or other data in the form of highly compressed "datagrams" to and from BlackBerry handheld devices. It is the indefatigable, super-intelligent electronic "traffic cop" without which the BlackBerry system *could not function.*[1]

---

[1] The Network Control Center in Canada (which is also known as the "BlackBerry Relay") communicates with computer servers that utilize BlackBerry software. Some servers (e.g., servers for the BlackBerry Internet Service ("BIS")) are located at RIM's facilities in Canada, and others, which utilize BlackBerry Enterprise Server ("BES") software, are incorporated into a company's, government agency's, or other organization's internal computer network in the United States or abroad. "More than 42,000 organizations have a BlackBerry e-mail server. . . ." Mark Heinzl, *Thumb Wars: With Its BlackBerry a Big Hit, RIM Is Squeezed By All Comers*, Wall St. J., April 25, 2005, at A1.

The Network Control Center also actively controls datagram flow based on numerous external factors. For example, at times of heavy activity, the Control Center adjusts the speed of certain datagram traffic to prevent congestion on the wireless carrier networks. As another example, the Center protects the BlackBerry system by identifying and discarding any malformed datagrams, including those emanating from computer hackers.

The Network Control Center occupies thousands of square feet in a highly secure facility with multiple electronic back-up and safety systems. It is comprised of hundreds of interconnected components and a command center (i.e.,

---

When the Network Control Center receives an encrypted datagram via the Internet from a BES located in the United States or elsewhere, it actively uses the datagram's identifying codes to manage and route it to the "gateway" server for the wireless carrier that transmits it to the intended BlackBerry subscriber's handheld device. Similarly, if that BlackBerry subscriber sends an encrypted email message from his or her handheld device to a co-worker, the Network Control Center actively routes it to the intended recipient. If the recipient also is a BlackBerry subscriber, the email (in the form of a datagram) is again transmitted over the Internet back to the Network Control Center, which routes the datagram to the recipient's handheld device. Thus, when an email is sent from one BlackBerry handheld device to another, the Network Control Center in Canada actively manages and routes the email *twice*.

monitoring/control room). At any given time about a dozen system engineers, working under the supervision of RIM's Vice President for BlackBerry Infrastructure, staff the command center 24 hours per day, 7 days per week, in order to monitor the Network Control Center's electronic "health" and handle any system emergencies that may arise. The fixed Canadian location and operation of the Network Control Center for North America (which serves more than 28 countries in addition to the United States) indisputably makes the BlackBerry system *transnational* in nature.

3. The volume of electronic data traffic handled by the Network Control Center in Waterloo, Ontario is astonishing. *See generally Heinzl*, Wall St. J., at A1 ("Every day, more than 100 million e-mails sent from across North America course through a data center hidden somewhere in this small university town."). Indeed, in a relatively short period of time, the BlackBerry system has become a critically important, global communications tool for millions of professional and business personnel.[2]

Even more significant, the BlackBerry system has become *critical* for hundreds of thousands of federal, state, and local

---

[2] *See generally* Brad Stone, *BlackBerry: Bring It On!*, Newsweek Enterprise, Sept. 26, 2005, at 38 ("[T]he BlackBerry has spawned a full-blown business and cultural revolution, turning wireless e-mail into a virtual requirement for mobile professionals and business travelers in the 24/7 global economy . . . . By the end of this year, RIM will have agreements with . . . nearly every significant mobile operator in the world–and an estimated 4.5 million subscribers."). *See also* Yuki Noguchi, *No Escape From E-Mail*, Wash. Post, Sept. 29, 2004, at A1 ("For some . . . the [BlackBerry] pocket-size devices have created a borderless world of new opportunities for multitasking.").

government personnel, including officials responsible for national defense, homeland security, crisis management, and emergency response, and for those in the private sector (e.g., first responders; defense contractors) with whom government officials *must* be able to communicate *no matter what* the circumstances. As the United States recently emphasized in a Statement of Interest filed with the district court to insist that any injunction entered in this action not disrupt governmental use of the BlackBerry system, all three branches of the Government rely on the BlackBerry system, both for routine and urgent communications. *See* App. 158a ("[I]n the formulation of any injunction, it is imperative that some mechanism be incorporated that permits continuity of the federal government's use of BlackBerry™ devices.").

One of the reasons that the BlackBerry system has become part of the nation's critical communications infrastructure is its reliability, not only for everyday use, but also in times of crisis (such as natural disasters or homeland security emergencies), when cellular telephone bandwidths can quickly become clogged and inaccessible. In contrast, highly compressed BlackBerry email datagrams require much less bandwidth. BlackBerry handheld devices also can bypass office computer networks (such as when they are down due to an electrical outage) and send a message from one BlackBerry handheld device "directly" to another, but again, only through, and with the dynamic assistance of, the Network Control Center in Canada. This mobile "emergency communications" capability is precisely why "Congress issued them to every member." App. 162a, n.4.

D. Proceedings Below

1. On November 13, 2001, Respondent NTP, Inc. ("NTP"), alleging that it holds certain valid patents that are infringed by the BlackBerry system, filed suit against RIM in

the United States District Court for the Eastern District of Virginia, citing 28 U.S.C. § 1338(a) as the basis for jurisdiction. NTP alleged, *inter alia*, that its patents are infringed insofar as the BlackBerry system enables receipt of email messages on a wireless device, and that the "Relay component" of the BlackBerry system (i.e., the Network Control Center in Canada), meets the "interface" or other limitations of every patent claim at issue.

After construing various disputed claim terms, the district court denied RIM's summary judgment motions. In particular, the court ultimately rejected RIM's contention that under 35 U.S.C. § 271(a), it was entitled to a holding of non-infringement in view of the Canadian location of the Network Control Center. App. 147a-150a. During the subsequent trial held in November 2002, the court, after reversing its position, specifically instructed the jury that "the location of RIM's relay in Canada does not preclude infringement." Although NTP did not allege that RIM knowingly copied the patents-in-suit, the jury returned a verdict finding willful direct, induced, and contributory infringement by RIM on all asserted claims. In its August 5, 2003 Final Order, the district court awarded NTP approximately $54 million in compensatory and enhanced damages, prejudgment interest, and attorney fees. The court also entered a permanent injunction effectively enjoining further sale and use of BlackBerry handheld devices in the United States, but issued a stay pending appeal on the ground that "the stay is in the public interest, as the public has a demonstrated and increasing use of the products and services involved in this litigation." App. 140a.

2. On December 14, 2004, the United States Court of Appeals for the Federal Circuit issued an opinion affirming the district court's judgment of infringement except as to construction of one claim term, and as a result, vacated the damages award and injunction and remanded the case.

Regarding the § 271(a) extraterritoriality issue, the court of appeals held that "the location of RIM's customers and their purchase of the BlackBerry devices establishing control and beneficial use of the BlackBerry system within the United States satisfactorily establish territoriality under section 271(a)." App. 132a.

3. On August 2, 2005, following the filing of a petition for panel rehearing and rehearing en banc, the same Federal Circuit panel issued an order granting the petition for panel rehearing "for the limited purpose of revising portions of the opinion treating Section 271." App. 76a. The panel withdrew its December 2004 opinion and simultaneously issued a revised opinion, which is the subject of this appeal. App. 76a-77a. The revised opinion indicates that "NTP's theory of infringement tracks the language of section 271(a)." App. 49a. The opinion acknowledges that "[s]ection 271(a) is only actionable against patent infringement that occurs within the United States," but asserts "it is unclear from the statutory language how the territoriality requirement limits direct infringement where the location of at least a part of the 'patented invention' is not the same as the location of the infringing act." App. 48a-49a, 52a.

Unlike its original opinion, the court's revised opinion distinguishes between NTP's "method" (i.e., process) claims and "system" claims. App. 57a. As to the method claims, the court's revised opinion holds that "a process cannot be used 'within' the United States as required by section 271(a) unless each of the steps is performed within this country;" that "each of the asserted method claims . . . recites a step . . . which is only satisfied by the use of RIM's Relay located in Canada;" and "[t]herefore, as a matter of law, these claimed methods could not be infringed by use of RIM's system." App. 57a. Regarding NTP's "system" claims, however, the

court's revised opinion holds that "[t]he use of a claimed system under section 271(a) is the place at which the system as a whole is put into service, *i.e.*, the place where control of the system is exercised and beneficial use of the system obtained;" that "RIM's customers located within the United States controlled the transmission of the originated information and also benefited from such an exchange of information;" and "[t]hus, the location of the Relay in Canada did not, as a matter of law, preclude infringement of the asserted claims in this case." App. 55a-56a. The court of appeals also held that the jury could not have found that RIM infringed the method claims under the asserted "sells," "offers to sell," or "imports" prongs of § 271(a), or under § 271(f). App. 62a-63a, 66a.

4. Following issuance of the revised opinion, RIM filed a motion for a panel rehearing or rehearing en banc, which the court denied on October 7, 2005. On October 21, 2005, the court of appeals denied RIM's motion to stay issuance of the mandate pending the filing and consideration of RIM's petition for a writ of certiorari. Chief Justice Roberts denied a similar motion on October 26, 2005. *See* Docket No. 05A357.[3]

---

[3] On November 30, 2005 the district court denied RIM's motion to enforce a previously announced settlement agreement. *See* App. 176a.

REASONS FOR GRANTING THE PETITION

I. THIS CASE PRESENTS A LANDMARK OPPORTUNITY TO ADDRESS THE NEED FOR CLEAR AND UNIFORM, TWENTY-FIRST CENTURY JURISPRUDENCE ON HOW COURTS SHOULD APPLY THE EXPRESS TERRITORIAL LIMITATION OF § 271(a) OF THE PATENT ACT TO INTERNET-BASED SYSTEMS THAT OPERATE WITH VITAL COMPONENTS LOCATED OUTSIDE THE UNITED STATES

The Court should grant RIM's petition for a writ of certiorari in order "to resolve an issue of prime importance in the administration of the patent law." *Dawson Chem. Co.*, 448 U.S. at 185. That issue is whether the express territorial limitation in 35 U.S.C. § 271(a) to acts "within the United States" precludes claims for "use" infringement where an operational component of an accused high technology system, such as the BlackBerry system's crucial Network Control Center, is located *outside* the United States. This question directly implicates the broader, increasingly common issue of how the lower courts should apply a federal statute's express or presumed territorial limitation in cases that involve use of the worldwide, geographically borderless Internet. *See Reno v. ACLU*, 521 U.S. 844, 851 (1997) (noting that email is part of "a unique medium–known to its users as 'cyberspace'—

located in no particular geographical location but available to anyone, anywhere in the world, with access to the Internet.").[4]

"The technology of the Internet evolves at a rapid pace." *Ashcroft v. ACLU*, 542 U.S. 656, 671 (2004). Technological advancements have made it possible for millions of Americans to use Internet-based telecommunications, e-commerce, and other systems whose operation depends upon computer servers or other major components located in Canada, Western Europe, Asia, or elsewhere. For example, the BlackBerry system enables subscribers who are virtually

---

[4] The Court recently granted certiorari in *eBay, Inc. v. MercExchange, L.L.C.*, No. 05-130, which raises two other questions that are directly involved in this case: (i) Whether a court must, absent exceptional circumstances, issue an injunction after finding patent infringement, and (ii) "Whether [the] Court should reconsider its precedents, including *Continental Paper Bag Co. v. Eastern Paper Bag Co.*, 210 U.S. 405 (1908), on when it is appropriate to grant an injunction against a patent infringer," *id.* (Order, Nov. 28, 2005), which, like NTP, does not practice its patents. NTP is a "patent holding" company. "It has no employees and makes no products." Roger Parloff, *BlackBerry Held Hostage, Pay Up—Or You're Done For*, Fortune, Dec. 12, 2005, at 29. *See generally* William M. Bulkeley, *Aggressive Patent Litigants Pose Growing Threat to Big Business*, Wall St. J., Sept. 14, 2005, at A1 (discussing "patent troll industry"); Lee Gomes, *Patenting Good Ideas Could Hurt Companies Rather Than Aid Them*, Wall St. J., Aug. 23, 2004, at B1 (discussing "the emerging legal black art of patent blackmail"). NTP has publicly announced its intention to leverage its infringement claims by seeking a permanent injunction that would shut down major portions of the BlackBerry system in every corner of the United States. *See* Parloff, Fortune, at 29 ("Should plaintiffs like NTP—which does not market a competing product, never has, and never will—be entitled to an automatic injunction . . . ?"); Tomas Kellner, *For RIM: Careful What You Ask For*, http://www.forbes.com, Dec. 6, 2005, at 1; Ian Austen, *Bye Bye BlackBerry*, N.Y. Times, Dec. 3, 2005, at C1; Yuki Noguchi, *Fearful Messagers Cross Their Thumbs*, Wash. Post, Dec. 2, 2005, at D1.

anywhere in the United States, or traveling in more than 40 countries around the world, to seamlessly exchange email using their BlackBerry handheld devices. But doing so is possible *only* because email is actively routed in the form of encrypted datagrams by and through the Network Control Center in Canada.[5]

In its *two* opinions below, the Federal Circuit clearly struggled with the important Internet Age question of whether a *transnational* high technology system can be used "within the United States" under § 271(a), even though it has very significant foreign components, here, a Canadian Network Control Center that is *fundamental* to the operation of the whole system. The panel took the unusual step of acknowledging its initial flawed interpretation of § 271(a) by

---

[5] The Internet has sparked an entirely new type of "communications revolution," one that is "intimately linked with the move toward globalization" because it is characterized by almost instantaneous transmission of digitized information to or from virtually anywhere in the world through a decentralized communications infrastructure that is technologically oblivious to national boundaries. Viktor Mayer-Schönberger & Deborah Hurley, *Globalization of Communications*, *in* Governance in a Globalizing World 135, 149 (Joseph S. Nye & John D. Donahue eds., 2000). "As new technologies erode boundaries, whether an allegedly infringing system or method is 'use[d] . . . within the United States,' and thus subject to U.S. patent law, is more and more difficult to determine." Yar Chaikovsky & Adrian Percer, *Globalization, Technology Without Boundaries & The Scope of U.S. Patent Law*, 9 No. 2 Intell. Prop. L. Bull. 95 (2005) (quoting 35 U.S.C. § 271(a)). *See also* Dan L. Burk, *Patents In Cyberspace: Territoriality and Infringement of Global Computer Networks*, 68 Tul. L. Rev. 1, 38 (1993) ("The dissolution of geographic, political, and temporal barriers made possible by global computer networks may pose a new challenge to the operation of U.S. patent law.").

withdrawing that opinion and issuing a revised opinion. But rather than correcting its erroneous conclusion that § 271(a) applies to NTP's claims notwithstanding the Canadian location and operation of the Network Control Center, the court devised an artificial and arbitrary distinction between NTP's "method" claims (which the court finally conceded are necessarily extraterritorial) and the "system" claims (which the court continued to maintain are not extraterritorial).

The revised opinion forthrightly acknowledges the "added degree of complexity" posed by the transnational nature of the BlackBerry system, asserting that it is "*unclear* from the statutory language [of § 271(a)] how the territoriality requirement limits direct infringement *where the location of at least a part of the 'patented invention' is not the same as the location of the infringing act.*" App. 49a, 52a (emphasis added). Indeed, as one legal scholar recently explained, "[p]atent law in its present state is indeterminate as to whether electronic transborder activity on the Internet constitutes an infringing 'use.'" Dan L. Burk, *Transborder Intellectual Property Issues on the Electronic Frontier*, 6 Stan. L. & Pol'y Rev. 9, 11 (1994). *See also* Mark A. Lemley *et al.*, *Divided Infringement Claims*, 33 AIPLA Q.J. 255 (2005) (discussing the Federal Circuit's revised opinion).

Rather than finding guidance in this Court's strict interpretation of § 271(a) in *Deepsouth*, 406 U.S. 518, the lower court distinguished that case on the ground that the instant appeal "involves a system that is partly within *and partly outside* the United States and relates to *acts* that may be occurring within *or outside* the United States." App. 53a (emphasis added). *Deepsouth* involved an American company which deliberately attempted to avoid patent infringement by manufacturing parts of a shrimp deveining machine in the United States, and then selling those parts to foreign

buyers for assembly and use of the machine abroad. *See* 406 U.S. at 523.[6] In holding that the manufacture and export of the unassembled components was not an act of infringement, the Court relied on the plain language of § 271(a). *Id.* at 528.

Deepsouth is predicated upon one of the oldest tenets of U.S. patent law, the territorial limitation that Congress embodied in § 271(a) through the requirement that infringing acts occur "within the United States." 35 U.S.C. § 271(a). In *Deepsouth*, the Court explained that "[t]he statute makes it clear that it is not an infringement to make or use a patented product outside of the United States." 406 U.S. at 527. "Our patent system makes no claim to extraterritorial effect; 'these acts of Congress do not, and were not intended to, operate beyond the limits of the United States.'" *Id.* at 531 (quoting *Brown v. Duchesne*, 60 U.S. (19 How.) 183, 195 (1856)). *See also Dowagiac Mfg. Co. v. Minnesota Moline Plow Co.*, 235 U.S. 641, 650 (1915) ("The right conferred by a patent under our law is confined to the United States and its territories . . . and infringement of this right cannot be predicated of acts wholly done in a foreign country."). The Federal Circuit, including in the opinion below, repeatedly has acknowledged this fundamental territoriality principle of U.S. patent law. *See* App. 48a-49a ("Section 271(a) is only actionable against

---

[6] By way of contrast, Petitioner RIM is a homegrown Canadian company. *See generally*, Heinzl, Wall St. J., at A1 (discussing company history); Stone, Newsweek Enterprise, at 38 (stating that RIM is "Canada's best-known technology firm"). Not surprisingly, the critically important BlackBerry Network Control Center is located within RIM's headquarters complex. Nothing in the record of this case suggests that the Network Control Center is located in Canada for any other reason, much less to avoid the reach of U.S. patent laws.

patent infringement that occurs within the United States."). *See, e.g., MEMC Elec. Materials, Inc. v. Mitsubishi Materials Silicon Corp.*, 420 F.3d 1369, 1375 (Fed. Cir. 2005) ("It is well-established that the reach of section 271(a) is limited to infringing activities that occur within the United States.").

Confronted with the plain text of § 271(a) and its immutable territorial limitation, the lower court's opinion strains for a way to characterize use of the *transnational* BlackBerry system as occurring "within the United States," despite the Canadian location of the system's Network Control Center. *See* App. 56a. But the court of appeals ultimately failed to articulate a coherent rule for the district courts, or other Federal Circuit panels, to follow in future infringement cases involving telecommunications or other Internet-based systems whose operation depends upon components located outside the United States.

Instead, the court of appeals, in its revised opinion, held that depending upon "the place where control of the system is exercised and beneficial use of the system obtained," a system with operational components *outside* the United States nevertheless somehow can be used "*within* the United States" under § 271(a). App. 55a (emphasis added). As one group of patent practitioners has warned, this means that "any system with users in the United States may infringe a U.S. patent notwithstanding the location of the components of the alleged infringing system." Chaikovsky & Percer, 9 No. 2 Intell. Prop. L. Bull. at 101 (commenting on the Federal Circuit's original opinion). *See also* Stanley Young & Nishita Doshi, *Global Aspects of United States Patent Protection*, 823 PLI/Pat 363, 382 (2005) ("[S]ystems that consist of multiple components, some of which are located abroad . . . . may also be accessible across national boundaries, making it difficult to analyze issues of location, jurisdiction, and territoriality.").

The Supreme Court has not been reluctant to delve into Internet-based intellectual property issues that affect broad segments of the public, even when the Court has announced the relevant legal principles decades earlier. *See, e.g., MGM Studios, Inc. v. Grokster, Ltd.*, 125 S. Ct. 2764, 2776 (2005) ("Despite the currency of these principles . . . a look at our earlier holding is in order."). The Court, however, has not addressed the territoriality of the patent laws, or interpreted or applied the express territorial limitation of § 271(a), since its opinion in *Deepsouth* 33 years ago.

The Court should modernize its extraterritoriality jurisprudence by deciding how courts should apply § 271(a)'s express territorial limitation to Internet-based and other transnational systems. This case is an ideal vehicle for doing so because it not only arises under the Patent Act's *most fundamental* infringement provision, § 271(a), but also squarely presents the extraterritoriality issue in terms of use of an Internet-based system whose foreign "component," the BlackBerry Network Control Center, is the *indispensable* electronic brain for the entire system. In view of the convoluted legal analysis below, only this Court can provide clarity, consistency, and predictability to the question of whether or when § 271(a) applies to use of such transnational systems. Indeed, the Federal Circuit and trial courts would benefit from an Internet Age version of *Deepsouth* because they are increasingly being called upon to decide high-technology infringement cases with extraterritoriality implications.[7]

---

[7] *See, e.g., Union Carbide Chems. & Plastics Tech. Corp. v. Shell Oil Co.*, 425 F.3d 1366 (Fed. Cir. 2005), *pet. for reh. filed*, No. 04-1475

II. THE FEDERAL CIRCUIT'S OPINION CONFLICTS WITH THIS COURT'S ADMONITION IN *DEEPSOUTH* THAT COURTS SHOULD NOT GIVE THE PATENT LAWS EXTRATERRITORIAL EFFECT ABSENT A "CLEAR AND CERTAIN SIGNAL FROM CONGRESS"

The Court explained in *Deepsouth* that "[t]he direction of Art. I is that *Congress* shall have the power to promote the progress of science and the useful arts" through the issuance of patents. 406 U.S. at 530 (emphasis added). "When, as here, the Constitution is permissive, the sign of how far Congress has chosen to go can come only from Congress." *Ibid.* As a result, in refusing to expand the scope of § 271(a) beyond its plain meaning, the Court held in *Deepsouth* that "[w]e would require a *clear and certain signal from Congress* before approving the position of a litigant who . . . argues that the beachhead of [patent] privilege is wider . . . than courts had previously thought." *Id.* at 531 (emphasis added).

"After the decision in *Deepsouth*, Congress accepted the Court's invitation to provide 'a clear and certain signal[]'

(Nov. 7, 2005) (regarding 35 U.S.C. § 271(f) chemical export issue); *AT&T Corp. v. Microsoft Corp.*, 414 F.3d 1366 (Fed. Cir. 2005) (regarding § 271(f) software export issue); *Eolas Techs., Inc. v. Microsoft Corp.*, 399 F.3d 1325 (Fed. Cir. 2005), *cert. denied*, No. 05-288 (Oct. 31, 2005) (same); *Zoltek Corp. v. United States*, 51 Fed. Cl. 829, 835 (Fed. Cl. 2002), *appeal docketed*, Nos. 04-5100, 04-5102 (Fed. Cir. June 2, 2004) (regarding 28 U.S.C. § 1498 for military use of silicon carbide fiber product).

. . . by enacting 35 U.S.C. § 271(f), which precludes competitors from avoiding liability simply by supplying components of a patented product from the United States and assembling them abroad." *Rotec*, 215 F.3d at 1252 n.2. Similarly, even if NTP were correct that the territorial limitation of § 271(a) could be used as a "loophole" for transnational systems (i.e., systems comprised of components that are located outside, as well as inside, the United States), *only Congress*, and not the courts, could fix it. Congress, however, has not enacted any amendments to signal an intent to extend the Patent Act's "beachhead of privilege" to "use" infringement claims involving transnational systems.[8]

"Because the Federal Circuit has exclusive jurisdiction over appeals from all United States District Courts in patent litigation, the rule that it applied in this case . . . is a matter of special importance to the entire Nation." *Cardinal Chem. Co. v. Morton Int'l, Inc.*, 508 U.S. 83, 89 (1993). That is especially true here given the proliferation of transnational telecommunications, e-commerce, and other computer-based

---

[8] Each time that Congress has deemed it necessary to extend the reach of the patent laws extraterritorially, it has enacted carefully circumscribed exceptions to § 271(a). *See* 35 U.S.C. § 271(c) (amending contributory infringement liability to include unauthorized "offers to sell . . . within the United States or imports into the United States"); *id.* § 271(f); *id.* § 271(g) (prohibiting the importation of any product produced by unauthorized offshore practice of a U.S. patented process); *id.* § 105 (providing that "[a]ny invention made, used or sold in outer space" aboard a spacecraft under U.S. jurisdiction "shall be considered to be made, used or sold within the United States"). *See generally* S. Rep. No. 101-266 (1990) (indicating that § 105 was necessary to make congressional intent clear).

systems used by a large segment of the American public. The court of appeals should have held, consistent with *Deepsouth*, that § 271(a) means what it says, and that unless and until Congress enacts an exception for use of a transnational system whose operation depends upon a critical foreign component, such systems are excluded from claims of "use" infringement. Instead, the Federal Circuit panel "enacted" just such an exception to § 271(a), albeit by holding that an individual's use of the transnational BlackBerry system is not extraterritorial.

Indeed, the lower court's *de facto* extraterritorial expansion of § 271(a) raises serious separation of powers concerns. "[T]he court's decision disregards the Supreme Court's clear instruction in *Deepsouth* . . . that courts should . . . leave to Congress the task of extending the patent grant . . . ." Daniel P. Homiller, Note, *From Deepsouth to the Great White North*, 2005 Duke L. & Tech. Rev. 0017, ¶ 3 (2005) (commenting on original decision). *See generally* Curtis A. Bradley, *Territorial Intellectual Property Rights In An Age Of Globalism*, 37 Va. J. Int'l L. 505, 584-85 (1997) ("Extra-territorial application of U.S. intellectual property law . . . [w]hen accomplished by the judiciary [is] in tension with the division of power in our federal government."); Donald S. Chisum, *Reforming Patent Law Reform*, 4 J. Marshall Rev. Intell. Prop. L. 336, 343 (2005) (noting that Congress is constitutionally empowered to determine how to "take into account the inherently international character . . . of technology and the operation of the patent system").

Such separation of powers concerns encompass foreign affairs prerogatives and international comity considerations, which the Constitution reserves for the Executive and Legislative Branches. Here, for example, the lower court's opinion runs head-on into multi-lateral treaty obligations (e.g., the TRIPS Agreement on intellectual property rights) that are predicated upon national, not extraterritorial, appli-

cation of signatories' (including Canada's) patent laws. *Cf. Subafilms, Ltd. v. MGM-Pathe Commc'ns Co.*, 24 F.3d 1088, 1098 (9th Cir. 1994) (discussing why judicial extension of statutes would "disrupt the international regime for protecting intellectual property"). As a result, the lower court's extraterritorial application of § 271(a) to the use of systems that operate with components located in other countries conflicts with the "longstanding principle of American law 'that legislation of Congress, unless a contrary intent appears, is meant to apply only within the territorial jurisdiction of the United States.'" *EEOC v. Arabian Am. Oil Co.*, 499 U.S. 244, 248 (1991) (quoting *Foley Bros., Inc. v. Filardo*, 336 U.S. 281, 285 (1949)). *See generally Bradley*, 37 Va. J. Int'l L. at 513-16 (discussing the reasons for the presumption against extraterritoriality). That presumption has special force here, where Congress has made the statute's territorial limitation explicit by specifying that infringing acts must occur "within the United States." *See generally United States v. Spelar*, 338 U.S. 217, 222 (1949) ("That presumption . . . is doubly fortified by the language of this statute and the legislative purpose underlying it.").[9] Moreover, the lower court's opinion violates the prescriptive comity presumption

---

[9] For similar reasons, the opinion below clashes with the rationale underlying the "political question doctrine" because the Constitution assigns the Patent power to the Legislative Branch, U.S. Const. art. I, § 8, cl. 8, and the power over foreign affairs to the Legislative and Executive Branches, U.S. Const. art. II, § 2, cl. 2, but *neither* type of power to the Judicial Branch. *See generally Japan Whaling Ass'n v. Am. Cetacean Soc'y*, 478 U.S. 221, 230 (1986) ("The political question doctrine excludes from judicial review those controversies . . . constitutionally committed for resolution to the halls of Congress or the confines of the Executive Branch.").

under which courts construe statutes "to avoid unreasonable interference with the sovereign authority of other nations." *F. Hoffman-La Roche Ltd. v. Empagran S.A.*, 542 U.S. 155, 124 S. Ct. 2359, 2366 (2004).

The Federal Circuit's failure to comply with the Supreme Court's unequivocal admonition in *Deepsouth* that *only Congress* can give the patent infringement provisions extraterritorial effect, coupled with the significant national defense, homeland security, foreign relations, societal, technological, and financial ramifications of the lower court's transborder extension of § 271(a), makes this case worthy of the Court's review.

III. THE FEDERAL CIRCUIT'S INTERPRETATION OF § 271(a) IS UNWORKABLE, AS WELL AS INCORRECT

This case, like *Deepsouth*, turns upon proper construction and application of § 271(a), not a judicial assessment of the wisdom of the nation's policies regarding the limited extraterritorial reach of the patent laws, an area which, as discussed above, the Constitution reserves for Congress and the Executive Branch.

1. *The Federal Circuit's interpretation of § 271(a) fails to give the crucial term "within" its ordinary meaning.* According to Prof. Donald S. Chisum, who commented on the lower court's original opinion, "[o]ne certainly might have thought, applying basic patent law principles, that the infringement was not in the United States." Chisum, 4 J. Marshall Rev. Intell. Prop. L. at 344. Indeed, the lower court's expansive interpretation of the phrase "within the United States" violates the canon that every undefined term in a statute should be given its ordinary meaning.

The text of § 271(a) states in pertinent part that "whoever without authority . . . uses . . . any patented invention, *within* the United States . . . infringes the patent." 35 U.S.C. § 271(a) (emphasis added). The court's opinion focuses only "on the ordinary meaning of 'use,'" asserting that "[t]he use of a claimed system under section 271(a) is the place at which the *system as a whole* is put into service." App. 55a (emphasis added). Although the Federal Circuit's analysis points out that "[t]he grammatical structure of the statute indicates that 'within the United States' is a *separate requirement* from the infringing acts clause," App. 52a (emphasis added), the opinion virtually ignores that phrase, and fails to give its ordinary meaning any effect.

According to common usage, the adverb "within" means "inside the bounds of a place or region," and as a preposition is "used as a function word to indicate enclosure or containment," such as "in the limits . . . of . . . not beyond," or "enclosed or confined by." *Webster's Third New International Dictionary* 2627 (1993). Thus, the requirement in § 271(a) that use of a patented invention occur "within the United States" means in a geographically "enclosed or confined" manner "inside the bounds of" and "not beyond" the United States. At the time the Court decided *Deepsouth*, the situs of an entire accused invention and the situs of its use typically were the same; both either were within the United States or they were not. But today, use of *transnational* telecommunications and other high technology systems (i.e., systems with components located outside as well as inside the United States) is common. How can a system that is not located "within the United States," i.e., not entirely inside the bounds or limits of, and not enclosed, contained, or confined by, the United States, be "used . . . *within* the United States" (emphasis added)?

More specifically, how can the transnational BlackBerry system be used (i.e., put into service) "as a whole,"

App. 55a, "within" the United States, even though, as the court of appeals agreed, it is "a system that is *partly within* and *partly outside* the United States?" App. 53a (emphasis added). *See Deepsouth*, 406 U.S. at 528 (reconfirming that to be "made" within the United States, all claimed components, i.e., "the operable assembly of the whole," must be located and combined here).[10] A BlackBerry subscriber standing in Lafayette Park may be using his or her *handheld device* within the United States, but that is *not* equivalent to using the *whole* BlackBerry system within the United States, given that the system's accused Network Control Center is located in Canada. The lower court's illogical holding that an individual's use of only one of the accused BlackBerry system's components, i.e., a handheld device, represents use of the entire accused system "within the United States," necessarily rests upon an odd new meaning, and certainly not the ordinary meaning, of the word "within."

2. *The Federal Circuit's attempt to differentiate between "use of method" claims and "use of system" claims demonstrates that the transnational BlackBerry system cannot be used "within the United States" as required by § 271(a).* In its revised opinion the court of appeals concluded as a matter of law that NTP's "method" (i.e., process) claims, unlike its nearly identically worded "system" claims, cannot be infringed. App. 57a. The court held that "a process cannot be

---

[10] Since "making" an invention requires all components of a system to be located "within the United States" for infringement under § 271(a), it follows that "use" infringement also requires all components of an invention (i.e., system) to be located "within the United States," *regardless* of the situs of "control or beneficial use" of the system.

used 'within' the United States as required by section 271(a) unless each of the steps is performed within this country." *Ibid.* "In the present case, each of the asserted method claims . . . recites a step . . . which is only satisfied by the use of RIM's Relay located in Canada." *Ibid.* Those method claims, however, require the very same acts as NTP's system claims.

Just as NTP's method claims are comprised of "multiple distinct steps" that cannot be entirely "performed within this country," App. 49a, 57a, its system claims are similarly comprised of "multiple distinct components," App. 49a, which are located outside, as well as inside, the United States. There is no principled reason, and certainly nothing in § 271(a), indicating that these parallel sets of claims should be treated differently, especially for purposes of extra-territoriality. Instead, the lower court's holding that an individual's use of the BlackBerry "process" is necessarily extraterritorial due to the Canadian location of the Network Control Center *compels* the same conclusion regarding use of the BlackBerry "system." Application of the court's different extraterritoriality tests for method and system claims is problematic where, as here, those claims are virtually identical, or where it is difficult to determine whether a particular claim covers a method or a system. *See, e.g., IPXL Holdings, L.L.C. v. Amazon.com*, Nos. 05-1009, 05-1487, (Fed. Cir. Nov. 21, 2005) (finding no "use" infringement where nature of Internet-based patent claim was unclear). Further, the court's illusory distinction between method and system claims can only work mischief in the hands of patent drafters, who, unless this Court intercedes, now will be able to skirt § 271(a) simply by replicating method/process claims under a "system claims" rubric.

3. *The Federal Circuit's inappropriate "control and beneficial use" test, which imported an inapposite Court of*

Claims decision will confound district courts confronted with the type of "use of system" patent infringement claims that the opinion below is certain to engender. The Federal Circuit's opinion trespasses on Legislative and Executive Branch terrain by infusing its interpretation of § 271(a) with a judicially conceived policy—that as long as individuals in the United States exercise an (unspecified) degree of "control of the system," and obtain an (unspecified) measure of "beneficial use of the system," that is sufficient justification to extend the reach of the patent laws extraterritorially to use of systems whose operation depends upon, and is controlled by, foreign-located components. App. 55a.

More specifically, the lower court's opinion imports into the plain text of § 271(a) a new principle that "[t]he use of a claimed system under section 271(a) is the . . . place where control of the system is exercised and beneficial use of the system obtained." App. 55a. The court's source for this *de facto* revision to the statute's text, *Decca, Ltd. v. United States,* 544 F.2d 1070 (Ct. Cl. 1976), arose under 28 U.S.C. § 1498, a provision which authorizes suit against the United States in connection with the Government's use of a patented invention. The accused Government owned-and-controlled Omega radio navigation system involved in *Decca* included two broadcast stations in the United States and one in Norway. Conceding that "while the matter is not free from doubt," the Court of Claims, adopting almost all of the trial judge's analysis on a wholesale basis, held that the existence of the station in Norway did not bar recovery under § 1498. *Decca*, 544 F.2d at 1083. The court indicated that "[t]his conclusion does not rest on any one factor but on the combination of circumstances here present, with particular emphasis on the ownership of the equipment by the United

States, the control of the equipment from the United States and on the actual beneficial use of the system within the United States." *Ibid.*[11]

---

[11] The Federal Circuit corrected its misstatement in the initial opinion that *Decca* arose under § 271(a). App. 136a. The court then issued its revised opinion elevating *Decca*'s 33 year-old, fact-laden analysis into a new and amorphous "control and beneficial use" test for applying § 271(a) to infringement claims alleging use of transnational systems. The unique, Government-related "combination of circumstances" that influenced the court in *Decca*, however, is not present here. *See generally* Burk, 6 Stan. L. & Pol'y Rev. at 11 (indicating "it is unclear whether [*Decca* is] applicable to global computer networks"). For example, the court in *Decca* specifically distinguished *Deepsouth*, noting in part that because the Norwegian government had expressly consented to the location and operation of the transmitter, it "impliedly consents also . . . to abstain from any application of its own patent law that would interfere with the intended use" of the system. 544 F.2d at 1074. Thus, unlike the situation with the BlackBerry system, encroachment of international comity and other countries' patent laws was not implicated in *Decca* since that case arose in the context of activities involving the U.S. Government. Here, in contrast, the Canadian Government filed two *amicus* briefs in the Federal Circuit in support of RIM's petitions for rehearing to protest that court's extraterritorial application of § 271(a) to the transnational BlackBerry system. *See* Gov't of Canada Br. (Jan. 13, 2005; Aug. 16, 2005).

The Court of Claims also emphasized the U.S. location of the "master station," which was the essence of the patent at issue and controlled the Omega system. 544 F.2d at 1074, 1083. In contrast, the BlackBerry system's "master station" is the Network Control Center *in Canada*, and as the Federal Circuit acknowledged, is the essence of the NTP patents-in-suit. *See* App. 56a (indicating that the Center "controls the accused systems and is necessary for the other components of the system to function properly"). *See also Hughes Aircraft Co. v. United States*, 29 Fed. Cl. 197, 242 (Fed. Cl. 1993) (holding that because a satellite was controlled by its "master station" in England, the Government did not use the satellite within the United States). In its attempt to force the square

Despite the critical role played by the BlackBerry system's Network Control Center in Canada, the court of appeals illogically asserted that "[w]hen RIM's United States customers send and receive messages by manipulating the handheld devices in their possession in the United States, the location of the use of the *communication system as a whole* occurs in the United States." App. 56a (emphasis added). To bridge the gap in this flawed logic, the lower court's opinion, mistakenly relying upon *Decca*, essentially rewrites § 271(a), as if the provision says that "whoever *exercises control of one component* and receives *beneficial use* of a patented invention within the United States during the term of the patent infringes the patent." Of course, this is *not* what § 271(a) says. This newly created "control and beneficial use" version of § 271(a) conveniently ignores the critical fact that the Network Control Center is located in Canada.

But even when applied to the BlackBerry system, this "test" simply does not work. A BlackBerry subscriber standing in Lafayette Park exercises virtually no "control" of the system when merely receiving email on a handheld wireless device. Further, the subscriber may "control" his or her *handheld device*, but certainly does not "control" the independently operated Network Control Center (without which the handheld device would not function), and thus, does not control "the communication system as a whole." App. 56a. Furthermore, the court's notion that "beneficial use" of the system is "within the United States" because that

---

BlackBerry system peg into the round Omega system hole, the lower court dismissed this as mere "technical differences." App. 56a.

is where subscribers and their handheld devices are located is inconsistent with *Decca* itself. *See* 544 F.2d at 1074 (noting that the "necessarily scattered and changing position" of the vessels benefiting from the Omega system did not "have any necessary connection with the location of the . . . system for purposes of the United States Patent Laws"). It also ignores the fact that the BlackBerry system enables *mobile* global telecommunications. *Cf. MAGICorp. v. Kinetic Present's, Inc.*, 718 F. Supp. 334, 347 (D.N.J. 1989) (noting that to determine the location of a patented system for venue based on where "customers are located, leads to absurd results"). For example, under the court's theory, when a U.S. subscriber uses his or her handheld device while traveling in Canada or Europe, "beneficial use" of the system would be obtained *there*, and not within the United States.

This is just the tip of the iceberg as to why the Federal Circuit's "control and beneficial use" interpretation of § 271(a) is sure to perplex district courts when called upon to apply it to use of other types of telecommunications or Internet-based transnational systems (e.g., retail; financial; educational; research; genealogical; travel; recreational). More specifically, the court of appeals left unclear what variables determine "control and beneficial use" of a trans-national system (e.g., the purpose of the system? the nature, function, portability, or quantity of system components located outside vs. inside the United States?). Suppose that a Buffalo resident uses her laptop computer to customize and order a ski outfit from a Canadian on-line retailer, whose e-commerce system is controlled by sophisticated computer servers located at the company's headquarters in Toronto. Under the lower court's holding, it is unclear whether merely ordering the ski outfit would represent use of the Internet-based system "within the United States," thereby rendering the Canadian on-line retailer vulnerable to a § 271(a) in-fringement suit by a U.S. patent-holding company. Or,

perhaps applicability of § 271(a) would depend upon a complex balancing of the precise nature, function, and quantity of the Canadian components of the system vs. the quantity and frequency of orders placed from computers in the United States. And if the Buffalo resident had been visiting her son in Toronto when she used her laptop computer to customize and place the order by accessing the Internet through her America Online account, who knows whether, under the lower court's "control and beneficial use" test, the territoriality requirement of § 271(a) would be satisfied.

What is clear is that unless this Court reviews and reverses the Federal Circuit's opinion, it will effectively repeal the express territorial limitation embedded within § 271(a). If use of the BlackBerry system, notwithstanding the Canadian location of its critically important Network Control Center, is considered to occur wholly within the United States, then under the lower court's test, virtually *any type* of transnational system may be susceptible to patent infringement claims under § 271(a). At the very least, if the Federal Circuit's extraterritoriality analysis is allowed to stand, it will compel district courts to define (or redefine) "control and beneficial use" on a case-by-case basis to determine if a particular transnational system is used "within the United States" under § 271(a). The resultant trial court decisions are not likely to produce consistent or predictable results. *See generally* Bradley, 37 Va. J. Int'l L. at 555 ("[W]hen the courts have attempted to exercise independent authority to extend federal statutes extraterritorially, they have floundered."). Therefore, the Federal Circuit's unworkable "control and beneficial use" rewrite of § 271(a) is another compelling reason why this case warrants Supreme Court review.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

GORDON D. GIFFIN
MCKENNA LONG &
ALDRIDGE LLP
303 Peachtree Street, N.E.
Atlanta, GA 30308
(404) 527-4000

HERBERT L. FENSTER
Counsel of Record
LAWRENCE S. EBNER
JAMES D. THAYER
MCKENNA LONG &
ALDRIDGE LLP
1900 K Street, N.W.
Washington, D.C. 20006
(202) 496-7500

HENRY C. BUNSOW
DAVID W. LONG
MARK L. WHITAKER
HOWREY LLP
1299 Pennsylvania Ave., N.W.
Washington, D.C. 20004
(202) 383-7073

MARTIN R. GLICK
HOWARD RICE NEMEROVSKI
CANADY FALK & RABKIN
Three Embarcadero Center
Seventh Floor
San Francisco, CA 94111
(415) 434-1600

Attorneys for Petitioner

December, 2005

APPENDIX

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

03-1615

NTP, INC.,
Plaintiff-Appellee,

v.

RESEARCH IN MOTION, LTD.,
Defendant-Appellant.

James H. Wallace, Jr., Wiley, Rein & Fielding LLP, of Washington, DC, argued for plaintiff-appellee. With him on the brief were *John B. Wyss, Gregory R. Lyons, Scott E. Bain, David B. Walker, Floyd B. Chapman*, and *Kevin P. Anderson.*

Henry C. Bunsow, Howrey Simon Arnold & White, LLP, of San Francisco, California, argued for defendant-appellant. With him on the brief were *R. Scott Wales* and *David Makman*, of San Francisco, California; *Robert C. Laurenson*, of Irvine, California; and *Celine T. Callahan*, of Washington, DC. Of counsel were *David W. Long* and *Heather Diane McAllister*, of Washington, DC.

Appealed from: United States District Court for the Eastern District of Virginia

Chief Judge James R. Spencer

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

03-1615

NTP, INC.,
Plaintiff-Appellee,

v.

RESEARCH IN MOTION, LTD.,
Defendant-Appellant.

DECIDED: August 2, 2005

Before MICHEL,[*] *Chief Judge*, SCHALL, and LINN, *Circuit Judges*.[1]

LINN, *Circuit Judge*.

Research In Motion, Ltd. ("RIM") appeals from a judgment of the U.S. District Court for the Eastern District of Virginia ("district court") entered in favor of NTP, Inc. ("NTP") following a jury verdict that RIM's BlackBerryTM system infringed NTP's U.S. Patents Nos. 5,436,960 ("the '960 patent"); 5,625,670 ("the '670 patent"); 5,819,172 ("the '172 patent"); 6,067,451 ("the '451 patent"); and 6,317,592 ("the '592 patent") (collectively, "the patents-in-suit") and awarding damages to NTP in the amount of $53,704,322.69. *NTP, Inc. v. Research in Motion, Ltd.*, No. 3:01CV767 (E.D. Va. Aug. 5, 2003) ("*Final Judgment*"). The court, in a final order also appealed by RIM, permanently enjoined any fur-

---

[*] Paul R. Michel assumed the position of Chief Judge on December 25, 2004.

[1] The earlier opinion in this case, reported at 392 F.3d 1336 (Fed. Cir. 2004), is withdrawn, and this opinion is substituted therefor. *See* Order in this case issued this date.

ther infringement by RIM, but stayed the injunction pending this appeal. We conclude that the district court erred in construing the claim term "originating processor," but did not err in construing any of the other claim terms on appeal. We also conclude that the district court correctly denied RIM's motion for judgment as a matter of law ("JMOL"), and did not abuse its discretion in denying evidentiary motions. Finally, we conclude that the district court was correct in sending the question of infringement of the system and apparatus claims to the jury, but erred as a matter of law in entering judgment of infringement of the method claims. Thus, we affirm-in-part, reverse-in-part, vacate-in-part, and remand for further proceedings consistent with this opinion.

I. BACKGROUND

The technology at issue relates to systems for integrating existing electronic mail systems ("wireline" systems) with radio frequency ("RF") wireless communication networks, to enable a mobile user to receive email over a wireless network.

A. *Overview of Electronic Mail Technology*

Traditional email systems operate in the following manner: To send an email, a user begins by composing a message in his or her email client. An "email client" is a user interface, such as Microsoft Outlook™, Eudora™, or Hotmail™, that organizes and displays a user's email messages and provides the user with a means of creating and sending email messages. The message begins with a specific destination address, i.e., jdoe@***.com, that corresponds to the recipient's user identification, "jdoe," and his or her Internet service provider ("ISP" or "host"), "***.com." *See generally* Andrew S. Tanenbaum, *Computer Networks* 592-611 (4th ed. 2003). When the message is sent, it is transferred first from the sender's machine to his or her ISP. *Id.* at 607. The sender's host then uses a domain name server to identify the recip-

ient's ISP mail server and its associated internet protocol ("IP") address. *Id.* A connection is then established by the sender's host with the recipient's ISP mail server, facilitating transfer of the message. *Id.* at 607-08. The message is next sorted by the recipient's ISP mail server into the recipient's particular "mailbox," where it is stored until the recipient initiates a connection with the server and downloads the message off the server onto his or her personal machine. This configuration is commonly referred to as a "pull" system because emails cannot be distributed to the user's machine without a connection being initiated by the user to "pull" the messages from the mail server.

B. *Problems With the Prior Art Systems*

As societal dependence on email and computers increased throughout the 1990s, so did the demand for mobile internet access. *See generally* Richard Duffy & Denis Gross, *World Without Wires*, 22 *Communications Int'l* 72 (June 1995) (describing "user demand" as "one of the most important driving factors behind the mobile data market"). The increased portability of computers via laptop machines exacerbated this demand. *See id.*; '960 patent, col. 4, ll. 19-39. Available methods of remote internet access were cumbersome and inefficient for the traveling businessperson, however, as the patents-in-suit explain:

> As personal computers are used more frequently by business travellers, the problem of electronic mail delivery becomes considerably more difficult. A business traveller carrying a portable PC has great difficulty in finding a telephone jack to connect the PC to fetch electronic mail from either a host computer or a gateway switch. Connections for a PC's modem are difficult to find in airports . . . . Hotels and motels often have internal PABX's that prevent calls from automatically being placed by the user's PC to electronic mail gateway switches to receive information. . . . The inability to find

> an appropriate connection to connect the PC modem when travelling has contributed to the degradation of electronic mail reception when the recipient is travelling.

'960 patent, col. 3, l. 60—col. 4, l. 12. RIM's technical documentation for its BlackBerry products echoes the undesirability of these constraints:

> Typically, mobile professionals use a laptop when traveling and dial-in to the corporate email server from a hotel room to manage an inbox full of email. The more adventurous use special software to send email notification to a pager or cell phone so they know what is in their inbox before spending the time and effort to dial-in. Focus groups and market research on mobile email revealed common complaints with dialing-in—the inconvenience of lugging a laptop around just for email; the trouble of finding a connection and dialing-out of the hotel; the difficulty of negotiating corporate dial-in security; and the cost of phone charges when dialing-in to the corporate server.

Research in Motion Ltd., *Technical White Paper BlackBerry Enterprise Edition™* 3 (2001) ("*White Paper*").

C. *The Patents-in-Suit*

Inventors Thomas J. Campana, Jr.; Michael P. Ponschke; and Gary F. Thelen (collectively "Campana") developed an electronic mail system that was claimed in the '960, '670, '172, '451, and '592 patents. The '960 patent, filed on May 20, 1991, is the parent of a string of continuation applications. The most recent patent, the '592 patent, filed December 6, 1999, is a continuation of the '451 patent, filed September 28, 1998. The '451 patent, in turn, is a continuation of the '172 patent, which itself originates from the '670 patent, a direct continuation of the parent '960 patent. As continuations of that single parent application, these patents contain the

same written descriptions as the '960 patent. NTP now owns these five patents-in-suit.

Campana's particular innovation was to integrate existing electronic mail systems with RF wireless communications networks. *See* '960 patent, col. 18, II. 32-39. In simplified terms, the Campana invention operates in the following manner: A message originating in an electronic mail system may be transmitted not only by wireline but also via RF, in which case it is received by the user and stored on his or her mobile RF receiver. The user can view the message on the RF receiver and, at some later point, connect the RF receiver to a fixed destination processor, *i.e.*, his or her personal desktop computer, and transfer the stored-message. *Id.* at col. 18, II. 39-66. Intermediate transmission to the RF receiver is advantageous because it "eliminat[es] the requirement that the destination processor [be] turned on and carried with the user" to receive messages. *Id.* at col. 18, II. 44-46. Instead, a user can access his or her email stored on the RF receiver and "review . . . its content without interaction with the destination processor," *id.* at col. 18, I. 67—col. 19, I. 1, while reserving the ability to transfer the stored messages automatically to the destination processor, *id.* at col. 19, II. 1-2. The patents-in-suit do not disclose a method for composing and sending messages from the RF receiver.

D. *The Accused System*

RIM is a Canadian corporation with its principal place of business in Waterloo, Ontario. RIM sells the accused BlackBerry system, which allows out-of-office users to continue to receive and send electronic mail, or "email" communications, using a small wireless device. The system utilizes the following components: (1) the BlackBerry handheld unit (also referred to as the "BlackBerry Pager"); (2) email redirector software (such as the BlackBerry Enterprise Server ("BES"), the Desktop Redirector, or the Internet Redirector); and

(3) access to a nationwide wireless network (such as Mobitex, DataTAC, or GPRS).

The BlackBerry system uses "push" email technology to route messages to the user's handheld device without a user-initiated connection. There are multiple BlackBerry email "solutions" that interface with different levels of the user's email system. In the Desktop solution, the BlackBerry email redirector software, the Desktop Redirector, is installed on the user's personal computer. In the Corporate solution, different BlackBerry email redirector software, the BES program, is installed on the organizational user's mail server, where it can function for the benefit of the multiple users of that server. Also at issue in this case is RIM's Internet solution of the BlackBerry system. The Internet solution operates in a manner similar to the Corporate solution, but it executes a different email redirector software, Internet Redirector. In either version, the BlackBerry email redirector software merges seamlessly with the user's existing email system. The operation of the email redirector software is transparent to the user's desktop email client and the organizational user's mail server. That is, the user's email system does not recognize or incorporate the BlackBerry wireless system into its operation. No modification of the underlying email system is required to run RIM's wireless email extension. When new mail is detected in the Desktop solution, the Desktop Redirector is notified and retrieves the message from the mail server. It then copies, encrypts, and routes the message to the BlackBerry "Relay" component of RIM's wireless network, which is located in Canada. In the Corporate solution, the BES software performs this same function but intercepts the email before the message reaches the individual user's personal computer. The individual user's personal computer need not be turned on for the BES software to properly redirect the user's emails. However, the user retains some control over message forwarding by using the BlackBerry "Desktop Manager." This additional software permits the user

to specify his or her email redirection preferences. In both systems, the message travels through the BlackBerry Relay, where it is translated and routed from the processors in the user's email system to a partner wireless network. That partner network delivers the message to the user's BlackBerry handheld, and the user is "notified virtually instantly" of new email messages. *White Paper* at 6. This process, accomplished without any command from the BlackBerry user, is an example of "push" email architecture. *Id.* There are significant advantages to "push" email architecture. Most importantly, the user is no longer required to initiate a connection with the mail server to determine if he or she has new email. As RIM's technical literature explains, "[b]y having the desktop connect to the user, time spent dialing-up and connecting to the desktop (possibly to find that there is no new email) is eliminated as users . . . are notified virtually instantly of important messages, enabling the user to respond immediately." *Id.*

RIM's system also permits users to send email messages over the wireless network from their handhelds. This functionality is achieved through the integration of an RF transmitter and a processor in the BlackBerry handheld unit. The processor allows the user to manipulate, view, and respond to email on his or her BlackBerry handheld. Sending a message from the handheld requires the same steps as the process for receiving email, only in reverse. When the user composes a message on his or her handheld, it is sent back to that user's desktop machine over the partner and BlackBerry wireless networks. The BlackBerry email redirector software then retrieves the outgoing message from the user's mail server and places it in the user's desktop email software, where it is dispersed through normal channels. In this way, messages sent from the BlackBerry handheld are identical to messages sent from the user's desktop email—they originate from the same address and also appear in the "sent mail" folder of the user's email client.

E. *Procedural History*

On November 13, 2001, NTP filed suit against RIM in the U.S. District Court for the Eastern District of Virginia. NTP alleged that over forty system and method claims from its several patents-in-suit had been infringed by various configurations of the BlackBerry system (comprised of the numerous handheld units; the BES, the Desktop Redirector, and the ISP Redirector software; and the associated wireless networks).

In an Order dated August 14, 2002, the district court construed thirty-one disputed claim terms. *NTP, Inc. v. Research in Motion, Ltd.*, No. 3:01CV767 (E.D. Va. Aug. 14, 2002) ("*Claim Construction Order*"). In that Order, the district court "construed the disputed terms according to their plain and ordinary meaning, as supported by the specification and prosecution history." *Id.*, slip op. at 3. The Order listed the claim terms in contention and their corresponding constructions without additional reasoning or analysis. *See id.*, slip op. at 4-9. A series of summary judgment motions followed the court's *Markman* decision. Setting forth several alternate theories, RIM asked for summary judgment of both non-infringement and invalidity. The issues raised in two of RIM's summary judgment motions remain relevant on appeal: RIM argued (1) that the asserted claims, properly construed, did not read on the accused RIM systems' *see NTP, Inc. v. Research in Motion, Ltd.*, No. 3:01CV767 E.D. Va. Aug. 5, 2003) (*nunc pro tunc* Oct. 23, 2002) ("*Non-infringement Order*"), and (2) that the physical location of the "Relay" component of the BlackBerry system put RIM's allegedly infringing conduct outside the reach of 35 U.S.C. § 271, *see NTP, Inc. v. Research in Motion, Ltd.*, No. 3:01CV767 (E.D. Va. Aug. 5, 2002) (*nunc pro tunc* Oct. 23, 2002) ("*Section 271 Order*"). The district court denied all of RIM's summary judgment motions.

For its part, NTP asked the district court to grant partial summary judgment of infringement on four claims of the patents-in-suit. In its motion, NTP argued: (1) that the 800 and 900 series BlackBerry handheld units infringed claim 248 of the '451 patent and claim 150 of the '592 patent; (2) that the BES software infringed claim 653 of the '592 patent; and (3) that the BlackBerry system, software, and handhelds infringed claim 15 of the '960 patent. *See NTP, Inc. v. Research in Motion, Ltd.*, No. 3:01CV767 (E.D. Va. Nov. 4, 2002) ("*Order Granting Summary Judgment of Infringement*"). RIM cross-moved for summary judgment of non-infringement, arguing that its products lacked certain limitations required by the asserted claims. *Id.*, slip op. at 4. The district court agreed with NTP, holding that "no genuine issue of material fact" existed as to infringement of the four claims. *Id.* at 26. Accordingly, the district court granted summary judgment, except as to the issue of infringement of claim 15 of the '960 patent or claim 248 of the '451 patent by the BlackBerry series 5810 handheld device. That issue was reserved for the jury.

The case proceeded to trial on fourteen claims. The fourteen claims submitted to the jury were: claims 15 (with respect to the series 5810 handheld devices only), 32, and 34 of the '960 patent; claim 8 of the '670 patent; claim 199 of the '172 patent; claims 28, 248 (with respect to the series 5810 handheld devices only), 309, 313, and 317 of the '451 patent; and claims 40, 278, 287,[2] and 654 of the '592 patent. A verdict was rendered on November 21, 2002. On every issue presented, the jury found in favor of the plaintiff, NTP. The jury found direct, induced, and contributory infringement by RIM on all asserted claims of the patents-in-suit. The jury also found that the infringement was willful. It rejected every

[2] Claim 287 is a multiple dependent claim. While the record is unclear, it appears to have been presented to the jury as dependent from claim 150 only.

defense proposed by RIM. Adopting a reasonable royalty rate of 5.7%, the jury awarded damages to NTP in the amount of approximately $23 million.

Following the jury verdict, RIM moved the court for JMOL or, in the alternative, for a new trial.[3] The court denied these motions. *NTP, Inc. v. Research in Motion, Ltd.*, No. 3:01 CV767 (E.D. Va. May 23, 2003) ("*JMOL Order*"). On August 5, 2003, the district court entered final judgment in favor of NTP. The court awarded monetary damages totaling $53,704,322.69, with the following approximate division: (1) compensatory damages of $33 million; (2) attorneys' fees of $4 million; (3) prejudgment interest of $2 million; and (4) enhanced damages of $14 million. *Final Judgment*, slip op. at 1. The court also entered a permanent injunction against RIM, enjoining it from further manufacture, use, importation, and/or sale of all accused BlackBerry systems, software, and handhelds. *Id.* at 2-3. The injunction has been stayed pending this appeal.

RIM timely appealed from the district court's final judgment and injunction. We have jurisdiction pursuant to 28 U.S.C. § 1295(a)(1).

II. ANALYSIS

A. *Claim Construction*

In the district court, NTP ultimately asserted against RIM, and RIM was found to have infringed, sixteen system and method claims of five different patents owned by NTP. This includes both the claims resolved by the court in NTP's favor on summary judgment and the claims submitted to the jury for a determination of infringement. These claims are: claims

---

[3] After the jury verdict, the United States Patent and Trademark Office initiated re-examination of the '670, '172, '451, and '592 patents, and granted RIM's petition for re-examination of the '960 patent. The re-examination process has yet to be completed.

15, 32, and 34 of the '960 patent; claim 8 of the '670 patent; claim 199 of the '172 patent; claims 28, 248, 309, 313, and 317 of the '451 patent; and claims 40, 150, 278, 287, 653, and 654 of the '592 patent.[4] All of these claims, with the exception of claim 150 of the '592 patent, are dependent claims. The parental lineage of the adjudicated claims is indicated in the following table:

Patent	Disputed claim → Parental Lineage
'960	15 → 11 → 1
	32 → 28 → 18
	34 → 18
'670	8 → 4 → 1
'172	199 → 194
'451	28 → 26 → 1
	248 → 247 → 246
	309 → 308 → 250
	313 → 311
	317 → 313 → 311
'592	40 → 25 → 10 → 4 → 1
	150
	278 → 232 → 199 → 171 → 168 → 150
	287 → 150
	653 → 652
	654 → 653 → 652

On appeal, RIM challenges the judgment of infringement with respect to each of the asserted claims. RIM argues that the district court erred in construing the claim terms: (a) "electronic mail system" (appearing in the '960, '670, and '172 patents); (b) "gateway switch" (appearing in the '960 patent); and (c) "originating processor" and "originated information" (appearing in the '960, '670, and '592 patents). Further, RIM argues that the district court erred in failing to impose general restrictions on certain asserted claims and in failing to construe certain terms relating to asserted claims; specifically: (d) a "dual pathways" limitation, requiring that at least one destination processor be accessible through *both* a

[4] We note that the injunction lists only fifteen claims, omitting claim 287 of the '592 patent. *Final Judgment*, slip op. at 3. Based on the record before us, we cannot determine why the jury's finding of infringement as to claim 287 was not included in the injunction. Even though claim 287 is not listed in the injunction, it was before the jury and presumptively was factored into the jury's calculation of damages, which is part of the judgment before us on appeal.

wireline and an RF pathway (relating to asserted claims of the '960 and '670 patents); (e) a limitation requiring that the RF receiver and destination processor be "separate and distinct" entities (relating to asserted claims of the '960, '670, and '592 patents, and to certain asserted claims of the '451 patent); and (f) the term "processor outside any electronic mail system" (relating to the '960 patent). We consider each, in turn.

1. *Claim Construction Precedent*

Because NTP's patents all derive from the same parent application and share many common terms, we must interpret the claims consistently across all asserted patents. *See, e.g., Microsoft Corp. v. Multi-Tech Sys., Inc.*, 357 F.3d 1340, 1350 (Fed. Cir. 2004) (holding that statements made in prosecution of one patent are relevant to the scope of all sibling patents); *Laitram Corp. v. Morehouse Indus., Inc.*, 143 F.3d 1456, 1460 & n.2 (Fed. Cir. 1998) (noting that it was proper to consider the prosecution histories of two related re-examination patents originating from the same parent, to determine the meaning of a term used in both patents). We thus draw distinctions between the various patents only where necessary.

Claim construction presents a question of law that this court reviews *de novo*. *Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448, 1456 (Fed. Cir. 1998) (en banc). "It is a bedrock principle of patent law that the claims of a patent define the invention to which the patentee is entitled the right to exclude." *Phillips v. AWH Corp.*, No. 03-1269, 03-1286, 2005 U.S. App. LEXIS 13954, at *22 (Fed. Cir. Jul. 12, 2005) (en banc) (internal quotations omitted). The words of a claim are generally given their ordinary and customary meaning, which is "the meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention." *Id.* To ascertain the meaning of a claim term, "the court looks to those sources available to the public that show what a person of ordinary skill in the art would have un-

derstood disputed claim language to mean. Those sources include the words of the claims themselves, the remainder of the specification, the prosecution history, and extrinsic evidence concerning relevant scientific principles, the meaning of technical terms, and the state of the art." *Id.* at *26 (internal quotations and citations omitted). In consulting the relevant claim construction sources, we must "attach the appropriate weight . . . to those sources." *Id.* at *58. Once the court has construed the claim limitations, the second step in the analysis is to compare the properly construed claims to the accused device. *Cybor Corp.*, 138 F.3d at 1454.

With these general principles in mind, we turn now to RIM's specific challenges to the district court's claim construction determinations.

2. *Disputed Terms*

a. *"Electronic Mail System"*

The term "electronic mail system" appears in all of the asserted claims of the '960, '670, and '172 patents. For simplicity, we will use system claim 1 (from which disputed claim 15 depends) and method claim 18 (from which disputed claims 32 and 34 depend) of the '960 patent as exemplars. Claim 1 of the '960 patent reads as follows:

> 1. A system for transmitting originated information from one of a plurality of originating processors in an *electronic mail system* to at least one of a plurality of destination processors in the electronic mail system comprising:
>
> at least one gateway switch in the electronic mail system, one of the at least one gateway switch receiving the originated information and storing the originated information prior to transmission of the originated information to the at least one of the plurality of destination processors;

a RF information transmission network for transmitting the originated information to at least one RF receiver which transfers the originated information to the at least one of the plurality of destination processors; at least one interface switch, one of the at least one interface switch connecting at least one of the at least one gateway switch to the. RF information transmission network and transmitting the originated information received from the gateway switch to the RF information transmission network; and wherein

the originated information is transmitted to the one interface switch by the one gateway switch in response to an address of the one interface switch added to the originated information at the one of the plurality of originating processors or by the *electronic mail system* and the originated information is transmitted from the one interface switch to the RF information transmission network with an address of the at least one of the plurality of destination processors to receive the originated information added at the originating processor, or by either the *electronic mail system* or the one interface switch; and

the *electronic mail system* transmits other originated information from one of the plurality of originating processors in the *electronic mail system* to at least one of the plurality of destination processors in the *electronic mail system* through a wireline without transmission using the RF information transmission network.

'960 patent, col. 49, II. 2-45 (emphases added). Claim 18 of the '960 patent reads as follows:

18. A method for transmitting originated information from one of a plurality of originating processors in an

electronic mail system to at least one of a plurality of destination processors in the *electronic mail system* comprising:

transmitting the originated information originating from the one of the plurality of originating processors to a gateway switch within the electronic mail system;

transmitting the originated information from the gateway switch to an interface switch;

transmitting the originated information received from the gateway switch from the interface switch to a RF information transmission network;

transmitting the originated information by using the RF information transmission network to at least one RF receiver which transfers the originated information to the at least one of the plurality of destination processors; and

transmitting other originated information with the *electronic mail system* from one of the plurality originating processors in the *electronic mail system* to at least one of the plurality of destination processors in the *electronic mail system* through a wireline without transmission using the RF information transmission network; and wherein

the originated information is transmitted to the interface switch by the gateway switch in response to an address of the interface switch which has been added to the originated information at the one of the plurality of originating processors or by the *electronic mail system* and the originated information is transmitted from the interface switch to the RF information transmission network with an address of the at least one of the plurality of destination processors to receive the originated information

> which has been added at the originating processor or by either the *electronic mail system* or the interface switch.

'960 patent, col. 52, ll. 11-49 (emphases added).

The district court construed "electronic mail system" as:

> A type of communication system which includes a plurality of processors running electronic mail programming wherein the processors and the electronic mail programming are configured to permit communication by way of electronic mail messages among recognized users of the electronic mail system. The various constituent processors in the electronic mail system typically function as both "originating processors" and "destination processors.["]

Claim Construction Order, slip op. at 4.

RIM argues there are two ordinary meanings of "electronic mail system": a broad definition that encompasses "communicating word processors, PCs, telex, facsimile, videotex, voicemail and radio paging systems (beepers)" and a narrow definition that defines the term in the context of "pull" technology. Asserting that Campana endorsed the pull technology definition during prosecution, RIM argues that "electronic mail system" includes a pull technology requirement. RIM also argues that during prosecution Campana characterized an "electronic mail system" as a wireline system to distinguish over the Zabarsky reference. Thus, RIM argues that "electronic mail system" requires a processor interconnected with other processors to serve the common purpose of providing electronic mail services to end users through pull technology while utilizing wireline, point-to-point connections.

NTP responds that the district court's claim construction of "electronic mail system" is correct and is consistent with the written description. NTP contends that RIM's proposed

construction of "electronic mail system" as requiring pull technology contravenes the plain language of the claim and is inconsistent with Campana's disclosure. Further, NTP argues that RIM never raised its pull technology claim construction at the *Markman* hearing, but in fact argued the opposite. Finally, NTP argues that RIM's requirement that "electronic mail system" be limited to a wireline only system simply cites the prior art description of those terms, and not Campana's use of the term as including wireless connections.

At the outset, we note that NTP correctly points out that RIM did not argue its pull technology construction before the district court, instead arguing that an electronic mail system is limited to a wireline only system. *See* J.A. at 2821-22 (arguing that "electronic mail system" should be construed as "a system of single processors or groups of processors linked by a wire line system, such as the PSTN [("Public Switch Telephone Network")], that provides a system for transmitting information between at least two computers"). We have previously held that presenting proposed claim constructions which alter claim scope for the first time on appeal invokes the doctrine of waiver as to the new claim constructions. *See CCS Fitness, Inc. v. Brunswick Corp.*, 288 F.3d 1359, 1370 (Fed. Cir. 2002) ("[A] waiver may occur if a party raises a new issue on appeal, as by, *e.g.*, presenting a new question of claim scope . . . ." (internal quotation marks omitted)); *Interactive Gift Express*, 256 F.3d at 1346 ("As it relates to claim construction, the doctrine [of waiver] has been applied to preclude a party from adopting a new claim construction position on appeal."). For the first time on appeal, RIM is attempting to add a pull technology limitation to the claim that it did not raise before the district court. Because RIM failed to raise before the district court the argument that the claim should be limited to pull technology, the argument was waived, and we decline to address it on the merits.

The district court's claim construction, which includes various architectures of single processors and groups of processors, is correct. The claims themselves recite that an "electronic mail system" includes various configurations of originating processors and destination processors that communicate via wireline connections or over an RF transmission network. *See, e.g.*, '960 patent, claim 1. Moreover, the written description recognizes that electronic mail systems may have various processor architectures. *See, e.g., id.* at col. 1, l. 60—col. 2, l. 22; *id.* at col. 2, ll. 13-17 ("It should be understood that the illustrated architecture of the single and associated groups of processors is only representative of the state of the art with numerous variations being utilized."); *see also* '670 patent, col. 1, l. 64—col. 2, l. 25; '172 patent, col. 1, l. 65—col. 2, l. 25.

RIM's premise that the "electronic mail system" is limited to a wireline only system is flawed. The plain language of the claim 1 preamble recites that the claimed system transmits originated information "from one of a plurality of originating processors in an electronic mail system to at least one of a plurality of destination processors in the electronic mail system." '960 patent, claim 1. Thus, all of the originating and destination processors are recited in the claims as being contained in the "electronic mail system." This language, however, is not helpful in determining whether the "electronic mail system" may include wireless connections. Accordingly, we turn to the written description.

The written description expressly indicates that the "electronic mail system" in the patent claims may include wireless connections. Campana described prior art "[e]lectronic mail services" as "*basically* a wire line-to-wire line, point-to-point type of communications" system. *Id.* at col. 1, ll. 52-54 (emphasis added). The use of the term "basically" suggests that an electronic mail system may include other types of connections, including wireless connections. More-

over, Campana provided an example of one prior art electronic mail system in commercial use, stating "FIG. 1 illustrates a block diagram of a typical electronic mail system in commercial use such as by AT&T Corporation." *Id.* at col. 1, II. 60-62. In this prior art electronic mail system, "groups of processors . . . may be distributed at locations which are linked by the [PSTN]. The individual processors may be portable computers with a modem which are linked to the [PSTN] *through wired or RF communications* as indicated by a dotted line." *Id.* at col. 1, I. 66—col. 2, I. 4 (emphasis added). Figure 1 depicts various processors that are all connected to the PSTN via either wired or wireless links. The prior art electronic mail system depicted in Figure 1 is incorporated into Figure 8, which Campana describes as a "block diagram of an electronic mail system in accordance with the present invention."[5] *Id.* at col. 22, II. 60-61. Accordingly, because RIM's argument that the term "electronic mail system" cannot include wireless connections contradicts the text and figures of the written description, it must be rejected.

Our review of the prosecution history reveals no disclaimers or disavowals limiting an "electronic mail system" to a wireline only system. RIM cobbles together statements from the prosecution history that refer to an electronic mail system as having wireline connections. While it is true that Campana often focused on wireline connections in describing electronic mail systems, this focus is understandable given his acknowledgment that electronic mail systems are "basically a

---

[5] We concede that the wireless connections disclosed in the written description appear to involve "pull" access. This has no impact on our analysis, however, for two reasons. First, as we held above, RIM has waived any argument for adding a "pull" limitation. Second, RIM argues that the term "electronic mail system" as used in the patents-in-suit is limited to an all "'wireline' system." Thus, any wireless connection, even a pull connection, suffices to defeat RIM's argument.

wire line-to-wire line, point-to-point type of communications" system. *Id.* at col. 1, II. 52-54. Contrary to RIM's assertions, however, Campana did not accept a narrow definition of "electronic mail system" or disclaim subject matter, so as to limit the term "electronic mail system" to a wireline only system. Instead, Campana expressly stated that information sent between the originating and destination processors located in "an electronic mail system" in his invention could be accomplished either through the RF transmission network or a wireline. *See* Amendment Pursuant to 37 C.F.R. § 1.116, at 19-20 (Nov. 7, 1994).

Because we discern no error, we affirm the district court's claim construction of "electronic mail system."

b. *"Gateway Switch"*

The term "gateway switch" appears only in the asserted claims 15, 32, and 34 of the '960 patent. As before the district court, RIM bases its construction of the term on its argument that Campana's "electronic mail system" implemented a "pull" email architecture. RIM contends that "a gateway switch is the mechanism for maintaining the mailboxes needed to implement the pull technology." The district court construed the term differently, as "[a] processor in an electronic mail system which connects other processors in that system and has additional functions for supporting other conventional aspects of the electronic mail system such as receiving, storing, routing, and/or forwarding electronic mail messages." *Claim Construction Order*, slip op. at 6. As we have previously rejected RIM's argument that "pull" email architecture is required, *see* Section II.A.2.a, *supra* (construing "electronic mail system"), we are similarly compelled to reject its suggestion that "gateway switches" must enable this technology. In short, we agree with the district court's claim construction of "gateway switch."

c. *"Originating Processor" and "Originated Information"*

The parties dispute the construction of the term "originating processor" recited in the claims of the '960, '670, and '592 patents[6] and "originated information" recited in the claims of the '960, '670, '592, and '451 patents.[7] Claim 1 of the '960 patent, from which claim 15 ultimately depends, again is exemplary and states in pertinent part:

> 1. A system for transmitting *originated information* from one of a plurality of *originating processors* in an electronic mail system to at least one of a plurality of destination processors in the electronic mail system comprising:
>
> at least one gateway switch in the electronic mail system, one of the at least one gateway switch receiving the originated information and storing the *originated information* prior to transmission of the *originated information* to the at least one of the plurality of destination processors;
>
> a RF information transmission network for transmitting the *originated information* to at least one RF receiver which transfers the *originated information* to the at least one of the plurality of destination processors;

---

[6] This term appears in all of the asserted claims of the '960 and '670 patents, and in parent claim 25 of asserted claim 40 of the '592 patent. A variation, "originating device," is used in claims 40, 150, 278, 287, 653, and 654 of the '592 patent. "Originating device" was separately construed by the district court and that construction has not been appealed.

[7] This term appears in all of the asserted claims of the '960 and '670 patents. A variation, "originating electronic mail," is used in claims 313 and 317 (both depending from independent claim 311) of the '451 patent. A slightly different variation, "originate the electronic mail," is used in claims 40 (depending from independent claim 1), 150, 278, and 287 of the '592 patent. We treat these variations as being of identical scope and meaning to the term "originating information" as discussed in our opinion.

at least one interface switch, one of the at least one interface switch connecting at least one of the at least one gateway switch to the RF information transmission network and transmitting the *originated information* received from the gateway switch to the RF information transmission network; and wherein

the *originated information* is transmitted to the one interface switch by the one gateway switch in response to an address of the one interface switch added to the originated information at the one of the plurality of *originating processors* or by the electronic mail system and the *originated information* is transmitted from the one interface switch to the RF information transmission network with an address of the at least one of the plurality of destination processors to receive the originated information added at the *originating processor*, or by either the electronic mail system or the one interface switch . . . .

'960 patent, col. 49, II. 2-38 (emphases added).

The district court construed "originating processor" as "[a]ny one of the constituent processors in an electronic mail system that prepares data for transmission through the system." *Claim Construction Order*, slip op. at 5. The court construed "originated information" as "[t]he message text of an electronic mail message." *Id.*, slip op. at 6 (noting an exception for the term as used in a patent which is not disputed on appeal)

RIM argues that "originating processor" is correctly construed to mean a processor that initiates or starts the transmission of data through the system, thereby excluding any of the "constituent processors" in the system which subsequently handle the data. It argues that "originated information" is the electronic mail message generated by an "originating processor." RIM argues that its constructions are supported by dictionary definitions of the term "originating"

and "originate" which impose an "initiating" requirement on the claims. RIM argues that the '960 patent specification supports this construction, because it describes an "originating processor" as a processor at which an electronic mail message is composed by a person or inputted by a machine.

NTP responds that this dispute centers on whether an "originating processor" can include gateway switches. Before the district court, NTP urged that "originating processor" be construed to include not only "that processor upon which the sender types the message," but also "all of the constituent processors in an electronic mail system that run electronic mail programming to format and initiate transmission of electronic mail messages." *NTP's Claim Construction Mem.* at 37. NTP argues that RIM's proposed construction is erroneous because it ignores language in the written description specifying that a gateway switch can originate information, and thus would exclude embodiments in the written description. NTP argues that a construction which limited "originating processor" to only processors upon which senders actually type the electronic mail message is not required by RIM's dictionary definitions.

As we shall explain, we conclude that the district court erred in its claim construction of the term "originating processor." The term "originating processor" is properly construed as "a processor in an electronic mail system that initiates the transmission of a message into the system." We do not hold that the "originating processor" is always the processor on which text of the email message was created. As a practical matter this will probably be the case. However, there could be a situation where someone composes an email message on one processor, then perhaps transfers the message from the creating processor to the "originating processor" that initiates the message into the electronic mail system; *e.g.*, by copying onto a disk.

Further, we conclude that the district court did not err in construing "originated information" as "[t]he message text of an electronic mail message." RIM focuses its argument on the term "originating processor." Indeed, RIM presents no independent argument that "originated information" means anything other than the text of an electronic mail message to be transmitted in the electronic mail system. We see no reason to disturb the district court's claim construction of the term "originating information."

We begin with the language of the claims. *See PSC Computer Prods., Inc. v. Foxconn Int'l*, 355 F.3d 1353, 1359 (Fed. Cir. 2004). Claim 1 of the '960 patent recites:

> 1. A system for transmitting originated information from one of a plurality of *originating processors* in an electronic mail system to at least one of a plurality of destination processors in the electronic mail system comprising: . . .
>
> at least one *gateway switch* in the electronic mail system . . .
>
> at least one *interface switch* . . . .

'960 patent, col. 49, ll. 2-19 (emphases added). Construing "originating processor" to mean the processor that is the origin of the email message text comports with the goal of the system—to move "originated information" from the processor where the email message text originated to the processor(s) where it is intended to be received. Moreover, that construction is consistent with the overall context of the claim language. Claim 1 of the '960 patent contains a number of limitations relating to devices that process data, including, *inter alia*: "a plurality of originating processors," "at least one gateway switch," and "at least one interface switch." *See* '960 patent, col. 49, ll. 2-25. Nothing in the claim suggests that "a plurality of originating processors" defines a genus which includes the claimed "gateway switch" or "interface switch"

as a species. Instead, these limitations are used as three separate, independent limitations to describe the various constituent components in an electronic mail system that prepares and transmits electronic mail messages. There is no antecedent basis in the claim language to signify that "at least one gateway switch" conceptually is contained within "a plurality of originating processors." *See Innova/Pure Water, Inc. v. Safari Water Filtration Sys.*, 381 F.3d 1111, 1119 (Fed. Cir. 2004) ("While not an absolute rule, all claim terms are presumed to have meaning in a claim.").

In addition, as claim 1 above recites, the "originated information" *originates from* the "originating processor." '960 patent, col. 49, II. 2-3. Thus, the plain language of the claims indicates that "originating processor" is not referring to *every* component that initiates data. Rather the "originating processor" is, more precisely, the processor that is the source of the "originated information"—the text of the electronic mail message.

Also, the claim language shows how a gateway switch is not included within the larger term "originating processor," but is rather a separate component from an "originating processor." That is because the "originated information" is *transmitted from* an "originating processor" to a gateway switch. Indeed, the "originating processor" and the gateway switch initiate different types of data. "Originated information"—the electronic mail message—originates with the "originating processor." By contrast, the gateway switch is never described as being the origin of the "originated information." Rather, it merely "receives" the "originated information" from the "originating processor." *See, e.g., id.* at col. 49, II. 8-9; '611 patent, col. 19, II. 60-63, col. 47, II. 52-54. A gateway switch may sometimes *add* or initiate address information such as an address of an interface switch to the "originated information" that it receives from the "originating processor." *See, e.g.*, '960 patent, col. 49, II. 26-37. However, a gateway switch is not the origin of the "originated

information" itself. According to the language of the claims, gateway switches are components that receive "originated information" from an "originating processor" and then sometimes append additional data to the information received from an "originating processor."

The written description is consistent with this interpretation and reveals that two different types of information are "originated" and transmitted within the claimed invention. First, there is "originated information." As the district court correctly held, "originated information" refers to the text of the electronic mail message being transmitted. One could analogize this to the contents of a physical letter one mails to a recipient via the postal system. Second, in the claimed invention there is also what one might call address information or destination information. This refers to an identifier of the intermediate components and/or the destination processor(s) to which the electronic message text should be delivered. *See, e.g.*, '960 patent, col. 24, ll. 31-46 (discussing "address of the interface switch" and "identification number of the RF receiver"). Address information originated from a gateway switch or interface switch is never described as itself the "originated information" or the "other originated information." Rather, it is described as separate information which is added to the "originated information" which came from an originating processor. *See, e.g., id.* at col. 21, ll. 54-56 (text notes that the address of the interface switch can be added "to the information originating from the originating processor"); *id.* at col. 22, ll. 24-26 (text notes that the destination address can be "added to the information from the originating processor"); *id.* at col. 26, ll. 39-41 (text notes adding information to the "information from the originating processor"); *id.* at col. 49, ll. 27-29 (claims describe "adding" address information to "originated information"); *id.* at col. 50, ll. 7-10 (text describes movement of both "originated information" and identification number in the RF transmission network); *id.* at col. 54, ll. 49-51 (text notes

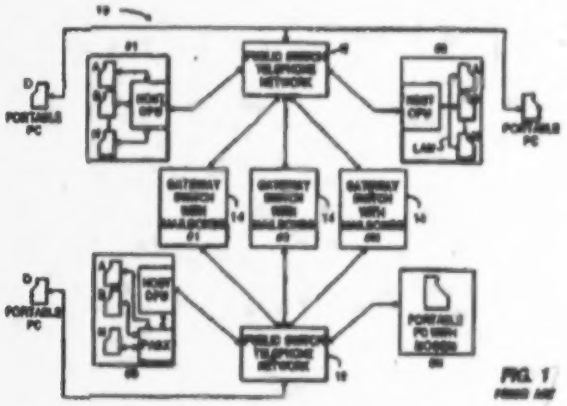
identification number "added to the originated information"). This address information can be analogized to the address contained on the outside of an envelope that one mails with the post office, as well as information added by the post office, such as a barcode, which may direct the envelope through the myriad routes in the postal system. Thus, just as one physically mails a letter with two types of information—the text of the actual letter itself within the envelope and the address information on the outside of the envelope—the claimed invention "originates" two types of information.

From the written description, one skilled in the art would understand an "originating processor" to refer to a processor where "originated information"—the electronic mail message text—is introduced into the electronic mail system. In some cases, this "originating processor" is the point at which some or all of the second type of information, the address information, is added. In other cases, after the "originating processor" sends the "originated information" to a gateway switch, the gateway switch then "originates" and appends additional address information onto the "originated information." A user typing at the originating processor does need to provide at least some address destination information—for example, that the email message is intended for "John Doe." *See, e.g., id.* at col. 24, II. 29-30. However, the user need not know precisely through which switches the email message needs to travel within the system to get to John Doe (or even whether John Doe's destination processor is a wireless or wireline processor). In the "most user friendly form" of the invention, the user need only indicate the intended recipient, and the proper address information can be added to the text of the electronic mail message either by the originating processor itself or by later components in the electronic mail system, such as gateway switches and/or interface switches. *See, e.g., id.* at col. 24, II. 25-30. This is analogous to how, in the postal system, one need only indicate a destination address, and the postal system sometimes adds barcode information to enve-

lopes which help indicate through which routes within the postal network the letter needs to travel to get to the proper destination.

The term "originating processor" does not encompass every constituent processor that initiates data into the system. "Originating processor" refers more precisely to the processor that initiates the electronic message text into the system. It is correct to conclude that other components besides an "originating processor" "originate" information. For example, components such as the gateway switches originate some of the address information to get the electronic message from the "originating processor" to the proper destination processor(s). However, there is nothing in the written description to suggest that one skilled in the art would blur the distinction between a component such as a gateway switch that sometimes "originates" address information, and an "originating processor," which is a separately labeled and separately claimed component than a gateway switch or an interface switch.

Referring specifically to the written description, Figure 1 of the '960 patent discloses a prior art electronic mail system in which the "originating processor" is depicted as the processor which originates the email message, which is separate and distinct from other constituent components such as gateway switches:



The specification states that Figure 1 shows that "[c]ommunications between an *originating processor A-N, which may be any of the processors within the groups of associated processors #1-#3 or processor #N* and a destination processor A-N are completed through the public switch telephone network 12 *to one or more gateway switches* . . . 14." '960 patent, col. 2, II. 23-28 (emphases added). This passage explains that the electronic mail message originates from the "originating processor" and then moves "to" an associated gateway switch. Thus, the "originating processor" is not a generic term referring to all data-generating constituent processors in a system, but more precisely refers to a processor that is separate from the gateway switches. Moreover, the written description repeatedly refers to the "originating processor" where the electronic mail message text is generated. *See, e.g., id.* at col. 3, II. 12-21 ("Finally, the message or message text must be entered which is the information that is inputted by the person or machine *which is originating the message at the originating processor A-N.* Upon completion of the message text, the user . . . enters a series of commands or keystrokes on the originating processor to transmit the message to the gateway switch . . . ." (emphasis added)); *id.* at col. 19, II. 29-30 (explaining how, in the claimed invention, the "originating processor" might be associated with "an icon driven display" and a computer "mouse" for the user). There is no corresponding discussion of the electronic mail message text being generated with, or the use of "an icon driven display" with, a gateway or interface switch.

Components other than an "originating processor" can initiate data. The written description describes how, for example, "the identification of the RF receiver 119 and the address of the interface switch may be implemented by the originating processor A-N of one of the computing systems #1-#N, a gateway switch 14 or an interface switch 304 . . . ." *Id.* at col. 24, II. 42-46. This shows that three different

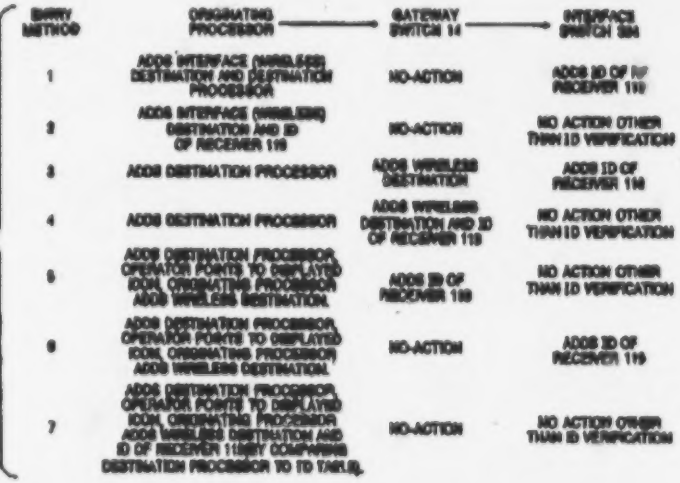
components can initiate address information: (1) an "originating processor" A-N; (2) a gateway switch 14; or (3) an interface switch 304. However, simply because the "originating processor" is but one of three separate, differently named and labeled components that can serve as the initiator of address information, does not mean that the term "originating processor" covers all of these different components. If "originating processor" referred to all three components, then the specification would simply read "the identification of the RF receiver 119 may be implemented by an originating processor."

The specification makes clear that it may take several processors in Campana's claimed invention to successfully initiate an electronic mail message. As Campana teaches in his written description, to initiate an electronic mail message, the message text must be entered, then the addresses of various interface switches and the receiving destination processor must be entered and appended to the message. *See id.* at col. 19, II. 26-39. The written description also teaches that entering the addresses of the interface switches, RF receivers, and destination processors may be accomplished by various components, including the originating processor or a gateway switch. *See id.* at col. 21, II. 54-56, 65-66 (noting that the address of the receiving interface switch may be added by the originating processor or a gateway switch); *id.* at col. 22, II. 10-15, 24-26 (noting that the address of the destination processor may be added by "the originating processor by an operator or a machine using the originating processor" or the gateway switch). However, the mere fact that a constituent component may tack on destination address information to the "originated information" coming from the "originating processor" does not turn that constituent processor into an "originating processor." Gateway switches are separate components from the "originating processor" that can also add address information after receiving the message text from the "originating processor." This is why Campana

asserts that the invention is "user friendly" because only a "minimum amount of information . . . must be provided to initiate the transmission of electronic mail *from an originating processor* to at least one destination processor." *Id.* at col. 19, II. 20-25.

The written description further describes how either the "originating processor," "gateway switch," or "interface switch" can be used to add information needed to transmit the electronic mail message, such as addressing data. *See id.* at col. 22, II. 24-26 ("The address of the destination processor may also be added to the information originated by the originating processor by the gateway switch."). Figure 11 of the '960 patent visually demonstrates various steps by which the "originating processor," "gateway switch 14," and "interface switch 304" could operate together to add address information to the text of the electronic mail message, i.e., the "originated information":

FIG. 11



See '960 patent, col. 28, II. 10-13 ("Fig[ure] 11 summarizes electronic mail message entry methods for messages (*information*) *originating from originating processors* within an electronic mail system." (emphasis added)). The arrows show

the flow of the "originated information" from the "originating processor," the first processor in the system where the information is originated, to a gateway switch 14, and then to an interface switch 304. Campana describes the flow of data in the various entry methods. For example, in "entry method 1" the "originating processor" itself adds the appropriate destination address data. *Id.* at col. 28, II. 13-17. When the "originated information" then reaches a gateway switch 14, the gateway switch takes no action, because all of the address data necessary at that point has already been added by the "originating processor." By contrast, in "entry method 3," a gateway switch, after receiving the "originated information" from the "originating processor," adds the wireless destination address. *Id.* at col. 28, II. 24-29. Although under the various methods enumerated in Figure 11 either the "originating processor," "gateway switch," or "interface switch" may add address information to the electronic mail message, the gateway and interface switches do not initiate the message text of an electronic mail message and, thus, are not "originating processors."

This shows how the "originating processor" merely refers to the first (initiating) processor of the "originated information." A gateway switch is *not* an "originating processor." While the gateway switch serves as an initiator of address information, as in entry methods 3, 4, and 5, a gateway switch only does this after it gets the "originated information" from the "originating processor." "Originating processor" is not an umbrella term referring to all of the processors that add data into the system, but rather would be understood to one skilled in the art to be the first processor, or the initial source of the "originated information" or email message text. All three different components in Figure 11, an "originating processor," a "gateway switch," and an "interface switch," are initiating address information. "Originating processor" refers to one of these components—the first processor, and not all three. Thus, the "originating processor" is the sole processor

that initiates the transmission of the electronic mail message text into the electronic mail system and is separate from the gateway or interface switches.

d. *"Dual Pathways"*

RIM argues that claim 8 of the '670 patent and claims 15, 32, and 34 of the '960 patent, when properly construed, require "'dual pathways' . . . whereby at least one of the destination processors in the system must be reachable through two independent pathways, one through the email system, and the other through the RF system." Appellant's Br. at 20.

We begin our analysis with the words of the claims.[8] *Vitronics*, 90 F.3d at 1582. We refer again to claim 1 of the '960 patent, from which claim 15 ultimately depends, which is illustrative and states in pertinent part:

> 1. A system for transmitting originated information from one of a plurality of originating processors in an electronic mail system *to at least one of a plurality of destination processors in the electronic mail system* comprising: . . .

---

[8] The district court addressed the "dual pathways" limitation on at least two occasions. On the first occasion, the district court rejected the "dual pathways" limitation, describing RIM's argument as an "attempt[] to read a limitation into the claim that is not supported by the plain meaning of the claim." On the second occasion, the court discussed the parties arguments, but declined to resolve the issue after finding a "genuine dispute of material fact." *Non-Infringement Order*, slip op. at 4-11. The district court erred in refusing on the second occasion to resolve a claim construction issue due to a factual dispute. Although the district court is not required to adhere to a specific timeline in making its claim construction rulings, "in a case tried to a jury, the court has the power and obligation to construe as a matter of law the meaning of language used in the patent claim" and "should not give such task to the jury as a factual matter." *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 978-79 (Fed. Cir. 1995) (en banc).

> a RF information transmission network for transmitting the originated information to at least one RF receiver which transfers the originated information *to the at least one of the plurality of destination processors*; . . .
>
> the electronic mail system transmits other originated information from one of the plurality of originating processors in the electronic mail system *to at least one of the plurality of destination processors* in the electronic mail system through a wireline without transmission using the RF information transmission network.

'960 patent, col. 49, II. 2-45 (emphases added).

In considering RIM's proposed "dual pathways" limitation, we begin by noting that the preamble of claim 1 of the '960 patent limits the claim. Under our precedent, a preamble generally limits the claimed invention if it "recites essential structure or steps, or if it is necessary to give life, meaning, and vitality to the claim." *Catalina Mktg. Int'l, Inc. v. Coolsavings.com, Inc.*, 289 F.3d 801, 808 (Fed. Cir. 2002) (internal quotation marks omitted). Thus, if the preamble helps to determine the scope of the patent claim, then it is construed as part of the claimed invention. *Bell Communications Research, Inc. v. Vitalink Communications Corp.*, 55 F.3d 615, 620 (Fed. Cir. 1995) ("[W]hen the claim drafter chooses to use *both* the preamble and the body to define the subject matter of the claimed invention, the invention so defined, and not some other, is the one the patent protects."). "When limitations in the body of the claim rely upon and derive antecedent basis from the preamble, then the preamble may act as a necessary component of the claimed invention." *Eaton Corp. v. Rockwell Int'l Corp.*, 323 F.3d 1332, 1339 (Fed. Cir. 2003); *see also C.R. Bard, Inc. v. M3 Sys., Inc.*, 157 F.3d 1340, 1350 (Fed. Cir. 1998) ("[A] preamble usually does not limit the scope of the claim unless the preamble provides

antecedents for ensuing claim terms and limits the claim accordingly.").

Because these limitations of claim 1 of the '960 patent derive their antecedent basis from the claim 1 preamble and are necessary to provide context for the claim limitations, the use of these limitations in the preamble limits the claim. *Eaton*, 323 F.3d at 1339; *Catalina Mktg.*, 289 F.3d at 808. The limitations of claim 1 "at least one of a plurality of destination processors" and "electronic mail system" are first recited in the preamble. '960 patent, col. 49, ll. 2-45 (claim 1). The antecedent basis of the disputed claim limitation "to *the* at least one of the plurality of destination processors," *id.* at col. 49, ll. 17-18 (emphasis added) (claim 1), is the destination processor recited in the preamble.

RIM's assertion that claim 1 of the '960 patent requires that "[t]he same destination processor must therefore simultaneously be 'in an electronic mail system' and reachable through an "RF information transmission network" is well-supported. RIM correctly argues that the claim language "a RF information transmission network for transmitting . . . originated information to *the* at least one of the plurality of destination processors," which employs the definite article "the," refers to the antecedent "at least one of a plurality of destination processors in the electronic mail system." '960 patent, claim 1 (emphasis added). RIM also correctly argues that, based on this antecedent relationship, a destination processor accessible by RF transmission must also be "in an electronic mail system." *See generally Warner-Lambert Co. v. Apotex Corp.*, 316 F.3d 1348, 1356 (Fed. Cir. 2003) ("[I]t is a rule of law well established that the definite article 'the' particularizes the subject which it precedes. It is a word of limitation as opposed to the indefinite or generalizing force of 'a' or 'an.'" (internal quotation omitted)).

However, the conclusions RIM seeks to advance do not follow from its assertion. One conclusion RIM advances, at

least at one point in its briefing, is that this "dual pathways" assertion suffices to demonstrate non-infringement, arguing that "[t]he Blackberry® system avoids this requirement since the Blackberry® handhelds are only reachable through an RF pathway." That sentence, which is the extent of RIM's analysis on this point, is simply insufficient to support a non-infringement determination. The argument relies on the implied premise that the BlackBerry handhelds are not in the electronic mail system. As defined by the district court, and approved above, an "electronic mail system" includes "a plurality of processors running electronic mail programming wherein the processors and the electronic mail programming are configured to permit communication by way of electronic mail messages among recognized users of the electronic mail system." RIM has cited nothing in the record to suggest that BlackBerry handhelds do not contain "processors running electronic mail programming" or are not "configured to permit communication by way of electronic mail messages among recognized users of the electronic mail system."[9] Accordingly, RIM's argument that the claim limitation requires that at least one destination processor must be in the electronic mail system and accessible by the RF information transmission network is not, by itself, sufficient to demonstrate non-infringement.

Another conclusion RIM attempts to draw from its assertion that at least one destination processor must be in the electronic mail system and accessible by the RF information transmission network is that there must be a "dual pathway" to the same destination processor. The term "dual pathways"

---

[9] As explained in more detail below, the RF receiver and the destination processor need not be physically separate and distinct. Similarly, it is of no importance that BlackBerry handhelds, which contain an RF receiver and a destination processor in a single unit, have access to both the RF information transmission network and the electronic mail system from the same device.

is not a claim term, but the notion of dual communication paths was argued by Campana during the prosecution of the '960 patent and incorporated into the structure of the claims of the patent. In distinguishing his invention over a prior art reference, Zabarsky, Campana argued that Zabarsky "would *not* meet the claims because of the recited dual communication paths involving telephonic and wireless communications which use the claimed interface switch between the electronic mail system and the RF information transmission system." The dual pathways distinction was mentioned during several exchanges between Campana and the examiner and was included in the recited structure of the claims. The first pathway is a pathway using both wireless connections in the RF information transmission network and either wireline or wireless connections in the email system ("wireline-and-wireless pathway"). This pathway is recited in the second paragraph after the preamble in claim 1. '960 patent, col. 49, ll. 13-17 (reciting transmission through an "RF information transmission network"). The second pathway is a pathway using only wireline connections in the email system ("wireline-only pathway"). This pathway is recited in the final paragraph of claim 1, which was added explicitly to incorporate a dual pathways limitation into the claims. *See id.* at col. 49, ll. 41-45 (reciting the transmission of information "to at least one of the plurality of destination processors in the electronic mail system through a wireline without transmission using the RF information transmission network").

RIM's correct assertion that at least one destination processor must be in the electronic mail system and accessible by the RF information transmission network does not, by itself, yield the conclusion that at least one destination processor must be accessible by dual pathways, that is, by a wireline-only pathway as well as a wireline-and-wireless pathway. RIM concedes that the final paragraph of claim 1 does not establish that a single destination processor must be accessible by dual pathways.

RIM does argue, however, that during the prosecution of the '960 patent, Campana "urged a narrow definition of 'electronic mail system' to distinguish over the wireless messaging system of Zabarsky." Thus, RIM ties its proposed "narrow definition" of "electronic mail system" to its dual pathways claim construction argument. RIM makes the following argument. First, at least one destination processor must be in the email system and accessible by the wireline-and-wireless pathway. Second, if a destination processor is in the email system, then it is accessible by a wireline-only pathway. Therefore, at least one destination processor must be accessible by dual pathways. This argument fails, however, because as we have concluded in section II.A.2.a, *supra*, the term "electronic mail system" as used in the patent is not limited to wireline-only pathways.

RIM also points to other statements Campana made in distinguishing the claimed invention over the Zabarsky reference. RIM argues that Campana's repeated reliance on a dual pathways requirement to distinguish over Zabarsky acted as a disclaimer of any claim interpretation that avoids a dual pathways requirement. NTP responds that there was no disavowal or disclaimer limiting Campana's invention to a system having dual pathways to the same destination processor. NTP argues that, instead, Campana simply distinguished Zabarsky as a purely wireless system, and noted that Zabarsky did not teach the claimed combination of a wireless system and an electronic mail system. Further, NTP contends that the examiner clearly stated his understanding that no "dual pathways" requirement exists.

RIM emphasizes the following passage from the prosecution history:

> [T]he claims as described above . . . define the combination of an electronic mail system and an RF information transmission system which transmits originated information from an originating processor to at least one

> destination processor using *both an electronic mail system* including a telephone network and *an RF information transmission network* which transmits originated information to at least one receiver which transfers the information to at least one destination processor. Thus, it is seen that the Examiner has *not* provided a teaching in the prior art or reasoning justifying a conclusion of obviousness with regard to the claimed system and method of operation of the electronic mail system and the RF information transmission system which define *dual* transmission paths of originated information with one of the paths being in the electronic mail system using a telephone network and the other of the paths being from the electronic mail system through an interface switch and through the RF information transmission system to the at least one destination processor.

Second Supplemental Amendment, May 13, 1994, at 23. RIM argues that Campana's statement that the "claimed system . . . define[s] *dual* transmission paths," *id.*, serves to disclaim systems where the same destination processor cannot be reached through both wireline and RF transmissions. This characterization of the prosecution history is in error. Campana made these statements in the prosecution history to demonstrate how its combination of a wireline system and RF transmission system is distinguishable from the Zabarsky messaging system, which did not have the capacity to send a message using only wireline connections. *Id.* at 21-23. Although Campana clearly contemplated that various destination processors could be accessed through either a wireline system or the RF transmission network (or both), Campana did not limit his invention in these prosecution history passages to require that the same destination processor be accessible through both the wireline system and the RF transmission system. *See Gemstar-TV Guide Int'l, Inc. v. Int'l Trade Comm'n*, 383 F.3d 1352, 1364 (Fed. Cir. 2004) (noting that "the presumption of ordinary meaning will be 'rebutted if

the inventor has disavowed or disclaimed scope of coverage, by using words or expressions of manifest exclusion or restriction, representing a clear disavowal of claim scope.'" (quoting *ACTV, Inc. v. Walt Disney Co.*, 346 F.3d 1082, 1091 (Fed. Cir. 2003))). The required words or expressions of manifest exclusion or restriction representing a clear disavowal of claim scope are not present in these passages from the prosecution history.

As NTP correctly points out, the examiner's "Reasons for Allowance" confirm that no requirement of "dual" transmission pathways to the same destination processor was required for the claims to be patentable:

> The prior art of record fails to teach or fairly suggest a system for transmitting originated information from an originating processor in an electronic mail system to a destination processor in the electronic mail system comprising an RF information transmission network . . . with an address of the destination processor added at the originating processor [and] the electronic mail system transmits other originated information from an originating processor to a destination processor in the electronic mail system through a wireline without transmission using the RF information transmission network.

Notice of Allowability, Feb. 7, 1995, at 2. Although information is transmitted to various destination processors via RF or wireline transmission systems, there is no requirement that there must be "dual" transmission pathways *to the same destination processor*. Thus, we conclude that the asserted claims of the '960 and '670 patents do not include the "dual pathways" limitation contended by RIM.

e. *"Separate and Distinct" RF Receiver and Destination Processor*

In its summary judgment motion, RIM argued to the district court that certain of the asserted claims required that the

RF receiver be distinct and separable from the destination processor. This "separate and distinct" limitation is, in RIM's view, applicable to all claims of the '960, '670, and '592 patents, and to claims 248, 309, 313, and 317 of the '451 patent. The court declined to impose this limitation, stating that "while it appears that Campana envisioned a portable and mobile RF receiver that is physically separate from the bulkier destination processor (*i.e.*, laptop or desktop computer) the claims do not impose this requirement." *Non-Infringement Order*, slip op. at 10-11. We agree with the district court.

As RIM correctly notes, the specification does indicate that Campana contemplated a separate housing as a way of achieving increased mobility and portability. For example, the specification suggests that an advantage of the invention is that the RF receiver may be carried with the user, while the location of the destination processor remains fixed. '960 patent, col. 18, II. 60-66. But the specification also states that "a preferred embodiment of the invention is with portable destination processors." *Id.* at col. 18, II. 57-58.

RIM focuses its argument as to this alleged claim limitation on two claim terms, "transfer," which can be found in the asserted claims of the '960 and '670 patents, and "connected to" or "coupled to," which can be found in claims 150, 278, and 287 of the '592 patent and claims 248, 309, 313, and 317 of the '451 patent. Repeated statements in the specification echo these claim terms. *See, e.g., id.* at col. 18, II. 50-53 ("The RF receiver automatically transfer [sic] the information to the destination processor *upon connection* of the RF receiver to the destination processor." (emphasis added)); *id.* at col. 20, l. 66—col. 21, l. 1 ("The RF receiver *may be detached* from the destination processor during reception of the information with a memory of the RF receiver storing the information." (emphasis added)).

Our case law requires a textual "hook" in the claim language for a limitation of this nature to be imposed. Generally, "a party wishing to use statements in the written description to confine or otherwise affect a patent's scope must, at the very least, point to a term or terms in the claim with which to draw in those statements. Without any claim term that is susceptible of clarification by the written description, there is no legitimate way to narrow the property right." *Renishaw PLC v. Marposs Societa' per Azioni*, 158 F.3d 1243, 1248 (Fed. Cir. 1998). In other words, "there must be a textual reference in the actual language of the claim with which to associate a proffered "claim construction." *Johnson Worldwide Assocs., Inc. v. Zebco Corp.*, 175 F.3d 985, 990 (Fed. Cir. 1999); *see also, e.g., McCarty v. Lehigh Valley R.R. Co*, 160 U.S. 110, 116 (1895) ("[I]f we once begin to include elements not mentioned in the claim in order to limit such claim . . . we should never know where to stop.").

In an effort to justify the limitation it urges, RIM first points to the claim term, "transfer." In the '960 patent, for example, claim 1 requires that the "RF receiver . . . transfer[] the originated information to the at least one of the plurality of destination processors." '960 patent, col. 49, II. 15-18. According to RIM, the fact that information must be "transferred," *i.e.*, moved from one place to another, implies that the RF receiver and destination processor are separately housed. This reading stretches the meaning of "transfer." As NTP points out, a "transfer" of information can equally occur between two entities that are physically housed together. The suggestion that information will be "transferred" between these two entities does not require the physical separation of those entities.

RIM also cites the claim terms "connected to" and "coupled to" used in the '592 patent. In that patent, independent

claim 150 (from which asserted claims 278 and 287 depend) describes

> a wireless receiver *connected to* the one mobile processor with the one mobile processor receiving the information contained in the electronic mail after the identification of the wireless device is detected by the wireless receiver in a broadcast by the wireless system.

'592 patent, col. 41, ll. 18-22 (emphasis added). Independent claim 301 of the '592 patent, from which asserted claims 309, 313, and 317 depend, recites similar requirements:

> 301. A communication system comprising:
>
> mobile devices, each mobile device comprising a wireless device *connected to* a mobile processor which executes electronic mail programming to function as a destination of electronic mail, the wireless device after receiving a broadcast of information contained in the electronic mail and an identification of the wireless device transmits the information to the *connected* mobile processor . . . .

Id. at col. 53, ll. 32-40. *Webster's Third New International Dictionary* 480 (1993) defines "connected" as "to join, fasten, or link together." Although "connected" more strongly connotes a physical link between the mobile processor and the wireless receiver than does the term "transfer," it still does not require that the mobile processor and wireless receiver be physically disposed in separate housings. A "connection" can occur between these two devices regardless of whether they are housed separately or together. Indeed, the two components could be connected, joined, or linked together by wires or other electrical conductors and still be located in the same housing or even on the same circuit board. Because the claim language does not support RIM's interpretation, we agree with the district court and decline to impose this additional restriction on the claims.

f. *"Additional Processor Outside an Electronic Mail System"*

RIM challenges the district court's construction of the term "additional processor outside an electronic mail system." As NTP correctly points out, this term is not present in any of the claims currently before us on appeal. RIM's principal justification for this court to construe the "additional processor" limitation is simply that the district court below construed the claim term. That is not a sufficient basis for this court to construe this claim term. Terms not used in claims in controversy on appeal need not be construed. *See Vivid Techs., Inc. v. Am Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999) ("[O]nly those [claim] terms need be construed that are in controversy, and only to the extent necessary to resolve the controversy."); *U.S. Surgical Corp. v. Ethicon, Inc.*, 103 F.3d 1554, 1568 (Fed. Cir. 1997) ("Claim construction is a matter of resolution of disputed meanings and technical scope, to clarify and when necessary to explain what the patentee covered by the claims, for use in the determination of infringement. It is not an obligatory exercise in redundancy."). We therefore decline to reach the question of whether the district court's construction of "additional processor outside of an electronic mail system" was correct.

B. *Infringement*

RIM makes three arguments challenging the district court's judgment of infringement. First, RIM argues that the district court erred in its claim constructions, and under the correct claim constructions RIM's products do not infringe. Second, RIM contends that because the BlackBerry Relay is located in Canada, as a matter of law RIM cannot be held liable for infringement under 35 U.S.C. § 271. Finally, RIM argues that the jury verdict of infringement lacked substantial evidence, and thus the district court should have granted RIM's motion for JMOL of non-infringement. We will discuss each argument in turn.

1. *Claim Construction*

A determination of infringement is a two-step process. The court must first correctly construe the asserted claims, and then compare the properly construed claims to the allegedly infringing devices, systems, or methods. *Ethicon Endo-Surgery, Inc. v. U.S. Surgical Corp.*, 149 F.3d 1309, 1315 (Fed. Cir. 1998). We have determined that the district court's jury instructions contained an erroneous claim construction of the term "originating processor." Thus, we are presented with the question of whether the jury verdict of infringement must be set aside as to the affected claims.

A jury verdict will be set aside, based on erroneous jury instructions, if the party seeking to set aside the verdict can establish that "those instructions were legally erroneous," and that "the errors had prejudicial effect." *Advanced Display Sys., Inc. v. Kent State Univ.*, 212 F.3d 1272, 1281 (Fed. Cir. 2000); *see also Ecolab Inc. v. Paraclipse, Inc.*, 285 F.3d 1362, 1373 (Fed. Cir. 2002). More specifically, "a party seeking to alter a judgment based on erroneous jury instructions must establish that (1) it made a proper and timely objection to the jury instructions, (2) those instructions were legally erroneous, (3) the errors had prejudicial effect, and (4) it requested alternative instructions that would have remedied the error." *Advanced Display*, 212 F.3d at 1281 (internal citations omitted). "Prejudicial legal error exists when it 'appears to the court [that the error is] inconsistent with substantial justice.'" *Id.* at 1283 (quoting Fed. R. Civ. P. 61). However, when the error in a jury instruction "could not have changed the result, the erroneous instruction is harmless." *Environ Prods., Inc. v. Furon Co.*, 215 F.3d 1261, 1266-67 (Fed. Cir. 2000) (citing 11 Charles Alan Wright & Arthur R. Miller, *Federal Practice and Procedure* § 2886 (2d ed. 1995) ("Errors in instructions are routinely ignored if . . . the error could not have changed the result.")); *Weinar v. Rollform Inc.*, 744 F.2d 797, 808 (Fed. Cir. 1984) ("[A]

reversal . . . is not available to an appellant who merely establishes error in instructions . . . . Where the procedural error was 'harmless,' *i.e.*, where the evidence in support of the verdict was so overwhelming that the same verdict would necessarily be reached absent the error, or the error was cured by an instruction, a new trial would be mere waste and affirmance of the judgment is required.").

At trial, RIM made a timely objection to the jury instructions pertaining to the district court's claim constructions, including its erroneous construction of the term "originating processor." *See* J.A. at 14102-03. RIM also requested alternative instructions that would have remedied the error, including specifically an alternative jury instruction embodying its proposed claim construction of the term "originating processor." *See* J.A. at 8368-73 (instruction 16). But to set aside the jury verdict, RIM must also establish that the error was prejudicial. *Advanced Display*, 212 F.3d at 1281.

Prior to trial, RIM proffered a declaration by its expert Dr. Reed arguing that the accused BlackBerry products and services do not infringe under RIM's proposed claim constructions as contained in RIM's proposed jury instructions. *See* J.A. at 10115-71 (Reed declaration). This proffer addressed, *inter alia*, infringement as it relates to the "originating processor" limitation. However, the district court did not admit the Reed declaration into evidence or address the merits of the contentions in the Reed declaration. While RIM asserts that the court excluded all testimony arguing claim limitations different than or inconsistent with the court's claim construction, the court's actual ruling appears to have been directed only to the "separate and distinct physical housing argument [and] the RF indicator argument." *See* J.A. at 12047-48. At the trial, testimony was presented with respect to infringement of the claims as construed by the district court. However, the extent to which the trial testimony and the exhibits actually admitted into evidence might

relate to the issue of infringement under the correct construction of the term "originating processor" is unclear on the record before us. What is clear is that in the briefing of this appeal, the parties have not fully vetted the evidentiary record as it might relate to the correct construction of the term "originating processor." Because the district court has a more direct understanding of the full record of trial proceedings in this case and is, thus, in a better position to make an informed determination of prejudicial error relating to the erroneous claim construction of the term "originating processor," we decline to make that determination in the first instance on appeal and, instead, remand the same to the district court for proper resolution.

On remand, if RIM can establish that the erroneous claim construction prejudiced the jury's verdict as to the affected claims, the district court will have to set aside the verdict of infringement as to those claims. The affected claims are those that include the term "originating processor;" namely, claim 15 of the '960 patent; claim 8 of the '670 patent; and claim 40 of the '592 patent (through its parent claim 25).[10]

2. *Section 271(a)*

Section 271(a) of title 35 sets forth the requirements for a claim of direct infringement of a patent. It provides:

> Except as otherwise provided in this title, whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent.

35 U.S.C. § 271(a) (2000). The territorial reach of section 271 is limited. Section 271(a) is only actionable against patent

---

[10] Method claims 32 and 34 of the '960 patent also contain the term "originating processor" but are not infringed by RIM as a matter of law, as we conclude, *infra*.

infringement that occurs within the United States. *See Pellegrini v. Analog Devices, Inc.*, 375 F.3d 1113, 1117 (Fed. Cir. 004) ("[As] the U.S. Supreme Court explained nearly 150 years ago in *Brown v. Duchesne*, 60 U.S. (19 How.) 183, 15 L. Ed. 595 (1857), . . . the U.S. patent laws 'do not, and were not intended to, operate beyond the limits of the United States.'"); *Rotec Indus., Inc. v. Mitsubishi Corp.*, 215 F.3d 1246, 1251 (Fed. Cir. 2000) (stating that "extraterritorial activities . . . are irrelevant to the case before us, because 'the right conferred by a patent under our law is confined to the United States and its territories, and infringement of this right cannot be predicated on acts *wholly* done in a foreign country" (emphasis added) (quoting *Dowagiac Mfg. Co. v. Minn. Moline Plow Co.*, 235 U.S. 641, 650 (1915))).

Ordinarily, whether an infringing activity under section 271(a) occurs within the United States can be determined without difficulty. This case presents an added degree of complexity, however, in that: (1) the "patented invention" is not one single device, but rather a system comprising multiple distinct components or a method with multiple distinct steps; and (2) the nature of those components or steps permits their function and use to be separated from their physical location.

In its complaint, NTP alleged that RIM had infringed its patents by "making, using, selling, offering to sell and importing into the United States products and services, including the Defendant's BlackBerryTM products and their related software . . . ." Compl. ¶ 19. NTP's theory of infringement tracks the language of section 271(a). In the district court, RIM moved for summary judgment of non infringement, arguing that it could not be held liable as a direct infringer under section 271(a). According to RIM, the statutory requirement that the allegedly infringing activity occur "within the United States" was not satisfied because the BlackBerry Relay component of the accused system is lo-

cated in Canada.[11] The Relay component is alleged to meet the "interface" or the "interface switch" limitation in the '960, '670, '172, and '451 patents. RIM's argument based on the location of its Relay outside the United States does not apply to the asserted claims of the '592 patent (claims 40, 150, 278, 287, 653, and 654) because those claims do not include the "interface" or "interface switch" limitation.[12]

The district court declined to grant summary judgment in RIM's favor. The court agreed that "to establish direct infringement under § 271(a), NTP must show that RIM practiced all of the steps of the process patented in the Campana inventions in the United States." *Section 271 Order*, slip op. at 6. However, because there remained "a genuine dispute . . . with regards to whether RIM operates a Relay facility in Virginia," the court decided it could not resolve this issue on summary judgment. *Id.* at 9. Subsequently, during trial, the court changed its position and specifically held that "the fact that the BlackBerry relay is located in Canada is not a bar to infringement in this matter." The court therefore instructed the jury that "the location of RIM's Relay in Canada does not preclude infringement." In the district court, the jury found

---

[11] There was a question below as to whether the Relay was also operated out of Virginia. This question appears to have been resolved in RIM's favor; on appeal, NTP does not contest the location of the BlackBerry Relay in Canada. For the purposes of our discussion, we assume that the BlackBerry Relay is located only in Canada. If, in fact, a Relay is also located in the United States, the need for this analysis would of course be obviated.

[12] RIM argues that certain preamble recitations of the asserted claims of the '451 and the '592 patents are affirmative limitations. For the purpose of the infringement analysis, we have assumed without deciding that the preamble of each of the asserted claims limits the claimed invention as it "recites essential structure or steps, or . . . is necessary to give life, meaning, and vitality to the claim." *Catalina Mktg. Int'l, Inc. v. Coolsavings.com, Inc.*, 289 F.3d 801, 808 (Fed. Cir. 2002) (internal quotation marks omitted).

direct, induced, and contributory infringement by RIM on all asserted claims. The asserted claims included both systems and methods for transmitting an email message between an originating processor and a destination processor. By holding RIM liable for contributory infringement and inducing infringement, the jury necessarily found that its customers are direct infringers of the claimed systems and methods. *Dynacore Holdings Corp. v. U.S. Philips Corp.*, 363 F.3d 1263, 1272 (Fed. Cir. 2004) ("Indirect infringement, whether inducement to infringe or contributory infringement, can only arise in the presence of direct infringement, though the direct infringer is typically someone other than the defendant accused of indirect infringement.").

On appeal, RIM argues that the district court erred in its interpretation of the infringement statute. RIM does not appeal the jury's finding that its customers use, *i.e.*, put into service, its systems and methods for transmitting email messages. RIM has, however, appealed whether any direct infringement, by it or its customers, can be considered "within the United States" for purposes of section 271(a). Citing the Supreme Court's decision in *Deepsouth*, RIM contends that an action for infringement under section 271(a) may lie only if the allegedly infringing activity occurs within the United States. RIM urges that, in this case, that standard is not met because the BlackBerry Relay component, described by RIM as the "control point" of the accused system, is housed in Canada. For section 271(a) to apply, RIM asserts that the entire accused system and method must be contained or conducted within the territorial bounds of the United States. RIM thus contends that there can be no direct infringement as a matter of law because the location of RIM's Relay outside the United States precludes a finding of an infringing act occurring within the United States.

This court reviews the statutory construction of a district court *de novo*. *Merck & Co. v. Kessler*, 80 F.3d 1543, 1549

(Fed. Cir. 1996). In our interpretation of the statute, we "give the words of a statute their ordinary, contemporary, common meaning, absent an indication Congress intended them to bear some different import." *Williams v. Taylor*, 529 U.S. 420, 431 (2000) (internal quotation marks omitted). We begin with the words of the statute, *see Trayco, Inc. v. United States*, 994 F.2d 832, 836 (Fed. Cir. 1993), but may consult dictionaries, *see Bayer AG v. Housey Pharms., Inc.*, 340 F.3d 1367, 1371 (Fed. Cir. 2003), and legislative history, *see Neptune Mut. Ass'n Ltd. of Bermuda v. United States*, 862 F.2d 1546, 1549 (Fed. Cir. 1988), if necessary to construe the statute.

The question before us is whether the using, offering to sell, or selling of a patented invention is an infringement under section 271(a) if a component or step of the patented invention is located or performed abroad. The jury also was instructed on infringement by importation, which we discuss separately *infra*. Pursuant to section 271(a), whoever without authority "uses, offers to sell, or sells any patented invention, within the United States . . . during the term of the patent therefor, infringes the patent." 35 U.S.C. § 271(a). The grammatical structure of the statute indicates that "within the United States" is a separate requirement from the infringing acts clause. Thus, it is unclear from the statutory language how the territoriality requirement limits direct infringement where the location of at least a part of the "patented invention" is not the same as the location of the infringing act.

RIM argues that *Deepsouth* answers this question. However, *Deepsouth* did not address this issue. In *Deepsouth*, the Supreme Court considered whether section 271(a) prevented, as direct infringement, the domestic production of all component parts of a patented combination for export, assembly, and use abroad. 406 U.S. at 527. The Court held that the export of unassembled components of an invention could not infringe the patent. *Id.* at 529. The Court said that it could not "endorse the view that the 'substantial manufacture of the

constituent parts of a machine' constitutes direct infringement when we have so often held that a combination patent protects only against the operable assembly of the whole and not the manufacture of its parts." *Id.* at 528. Thus, the Court concluded that the complete manufacture of the operable assembly of the whole within the United States was required for infringement by making under section 271(a). In that case, however, both the act of making and the resulting patented invention were wholly outside the United States. By contrast, this case involves a system that is partly within and partly outside the United States and relates to acts that may be occurring within or outside the United States.

Although *Deepsouth* does not resolve these issues, our predecessor court's decision in *Decca Ltd. v. United States*, 544 F.2d 1070 (Ct. Cl. 1976), is instructive. In *Decca*, the plaintiff sued the United States for use and manufacture of its patented invention under 28 U.S.C. § 1498. The claimed invention was a radio navigation system requiring stations transmitting signals that are received by a receiver, which then calculates position by the time difference in the signals. At the time of the suit, the United States was operating three such transmitting stations, one of which was located in Norway and thus was outside the territorial limits of the United States. Only asserted claim 11 required three transmitting stations. Thus, in considering infringement of claim 11, the court considered the extraterritorial reach of the patent laws as applied to a system in which a component was located outside the United States. The court recognized that *Deepsouth* did not address this issue. *Id.* at 1081. In analyzing whether such a system was "made" in the United States, however, the court focused on the "operable assembly of the whole" language from *Deepsouth* and concluded that "[t]he plain fact is that one of the claimed elements is outside of the United States so that the combination, as an operable assembly, simply is not to be found solely within the territorial limits of this country." *Id.* at 1082. The court recognized that

what was located within the United States was as much of the system as was possible, but the court reached no clear resolution of whether the accused system was "made" within the United States. Nevertheless, the court said, "Analyzed from the standpoint of a use instead of a making by the United States, a somewhat clearer picture emerges." *Id.* The court concluded that "it is obvious that, although the Norwegian station is located on Norwegian soil, a navigator employing signals from that station is, in fact, 'using' that station and such use occurs wherever the signals are received and used in the manner claimed." *Id.* at 1083. In reaching its decision, the court found particularly significant "the ownership of the equipment by the United States, the control of the equipment from the United States and . . . the actual beneficial use of the system within the United States." *Id.* Although *Decca* was decided within the context of section 1498, which raises questions of use *by* the United States, the question of use *within* the United States also was implicated because direct infringement under section 271(a) is a necessary predicate for government liability under section 1498. *Motorola, Inc. v. United States*, 729 F.2d 765, 768 n.3 (Fed. Cir. 1984).

Decca provides a legal framework for analyzing this case. As our predecessor court concluded, infringement under section 271(a) is not necessarily precluded even though a component of a patented system is located outside the United States. However, as is also evident from *Decca*, the effect of the extraterritorial component may be different for different infringing acts. In *Decca*, the court found it difficult to conclude that the system had been made within the United States but concluded that the system had been used in the United States even though one of the claim limitations was only met by including a component located in Norway. Not only will the analysis differ for different types of infringing acts, it will also differ as the result of differences between different types of claims. *See Minton v. Nat'l Ass'n of Sec. Dealers, Inc.*, 336 F.3d 1373, 1378 (Fed. Cir. 2003) ("It is not

correct that nothing in § 102(b) compels different treatment between an invention that is a tangible item and an invention that describes a series of steps in a process. The very nature of the invention may compel a difference." (quotation marks omitted)). Because the analytical frameworks differ, we will separately analyze the alleged infringing acts, considering first the system claims and then the claimed methods.

a. *"uses . . . within the United States"*

The situs of the infringement "is wherever an offending act [of infringement] is committed." *N. Am. Philips Corp. v. Am. Vending Sales, Inc.*, 35 F.3d 1576, 1579 (Fed. Cir. 1994) ("[Section 271] on its face clearly suggests the conception that the 'tort' of patent infringement occurs where the offending act is committed and not where the injury is felt."). The situs of the infringing act is a "purely physical occurrence[]." *Id.* In terms of the infringing act of "use," courts have interpreted the term "use" broadly. In *Bauer & Cie v. O'Donnell*, 229 U.S. 1 (1913), the Supreme Court stated that "use," as used in a predecessor to title 35, is a "comprehensive term and embraces within its meaning the right to put into service any given invention." *Id.* at 10-11. The ordinary meaning of "use" is to "put into action or service." *Webster's Third New International Dictionary* 2523 (1993). The few court decisions that address the meaning of "use" have consistently followed the Supreme Court's lead in giving the term a broad interpretation. *E.g., Roche Prods., Inc. v. Bolar Pharm. Co.*, 733 F.2d 858, 863 (Fed. Cir. 1984), *superseded-in-part by* 35 U.S.C. § 271(e) (holding that testing is a "use").

The use of a claimed system under section 271(a) is the place at which the system as a whole is put into service, *i.e.*, the place where control of the system is exercised and beneficial use of the system obtained. *See Decca*, 544 F.2d at 1083. Based on this interpretation of section 271(a), it was proper for the jury to have found that use of NTP's asserted

system claims occurred within the United States.[13] RIM's customers located within the United States controlled the transmission of the originated information and also benefited from such an exchange of information. Thus, the location of the Relay in Canada did not, as a matter of law, preclude infringement of the asserted system claims in this case.

RIM argues that the BlackBerry system is distinguishable from the system in *Decca* because the RIM Relay, which controls the accused systems and is necessary for the other components of the system to function properly, is not located within the United States. While this distinction recognizes technical differences between the two systems, it fails to appreciate the way in which the claimed NTP system is actually used by RIM's customers. When RIM's United States customers send and receive messages by manipulating the handheld devices in their possession in the United States, the location of the use of the communication system as a whole occurs in the United States. This satisfactorily establishes that the situs of the "use" of RIM's system by RIM's United States customers for purposes of section 271(a) is the United States. Therefore, we conclude that the jury was properly presented with questions of infringement as to NTP's system claims containing the "interface" or "[illegible]terface switch" limitation; namely, claim 15 of the '960 patent; claim 8 of the '670 patent; and claims 28 and 248 of the '451 patent.

We reach a different conclusion as to NTP's asserted method claims. Under section 271(a), the concept of "use" of a patented method or process is fundamentally different from the use of a patented system or device. *In re Kollar*, 286 F.3d

---

[13] As noted *supra*, the jury found that RIM's customers are direct infringers of the patented system, and RIM has not appealed the determination that the customers are directly putting into action the system that is the subject of NTP's claim limitations. RIM only appeals whether any such use occurs within the United States, in light of the location of the Relay within Canada.

1326, 1332 (Fed. Cir. 2002) (recognizing "the distinction between a claim to a product, device, or apparatus, all of which are tangible items, and a claim to a process, which consists of a series of acts or steps. . . . [A process] consists of doing something, and therefore has to be carried out or performed."); *see Joy Techs., Inc. v. Flakt, Inc.*, 6 F.3d 770, 773 (Fed. Cir. 1993) ("The law is unequivocal that the sale of equipment to perform a process is not a sale of the process within the meaning of section 271(a)."). Although the Supreme Court focused on the whole operable assembly of a system claim for infringement in *Deepsouth*, there is no corresponding whole operable assembly of a process claim. A method or process consists of one or more operative steps, and, accordingly, "[i]t is well established that a patent for a method or process is not infringed unless all steps or stages of the claimed process are utilized." *Roberts Dairy Co. v. United States*, 530 F.2d 1342, 1354 (Ct. Cl. 1976).

Because a process is nothing more than the sequence of actions of which it is comprised, the use of a process necessarily involves doing or performing each of the steps recited. This is unlike use of a system as a whole, in which the components are used collectively, not individually. We therefore hold that a process cannot be used "within" the United States as required by section 271(a) unless each of the steps is performed within this country. In the present case, each of the asserted method claims of the '960, '172, and '451 patents recites a step that utilizes an "interface" or "interface switch," which is only satisfied by the use of RIM's Relay located in Canada. Therefore, as a matter of law, these claimed methods could not be infringed by use of RIM's system. *See Eli Lilly & Co. v. Am. Cyanamid Co.*, 82 F.3d 1568, 1571 (Fed. Cir. 1996) (discussing the enactment of section 271(g) and stating that "[p]rior to the enactment of the [Process Patents Amendments Act of 1988], a patentee holding a process patent could sue for infringement if others used the process in this country, but had no cause of action if

such persons used the patented process abroad to manufacture products, and then imported, used, or sold the products in this country"); *see also Zoltek Corp. v. United States*, 51 Fed. Cl. 829, 836 (2002) (stating that "if a private party practiced even one step of a patented process outside the United States, it avoided infringement liability, as [section 271(a)] was limited to acts committed within the United States").

Thus, we agree with RIM that a finding of direct infringement by RIM's customers under section 271(a) of the method claims reciting an "interface switch"[14] or an "interface"[15] is precluded by the location of RIM's Relay in Canada. As a consequence, RIM cannot be liable for induced or contributory infringement of the asserted method claims, as a matter of law.

b. *"offers to sell, or sells"*

Because we conclude that RIM's customers could not have infringed the asserted method claims of the '960, '172, and '451 patents under the "use" prong of section 271(a), and thus, could not have provided the necessary predicate for the charges of induced or contributory infringement of those claims, we must consider whether RIM could have directly infringed the method claims under the "sell" or "offer to sell" prongs of section 271(a). The cases cited by RIM are concerned primarily with the "use" and "make" prongs of section 271(a) and do not directly address the issue of whether a method claim may be infringed by selling or offering to sell within the meaning of section 271(a).

---

[14] Claims 32 and 34 of the '960 patent recite "transmitting . . . from the interface switch."

[15] Claim 199 of the '172 patent recites "receiving . . . at the interface"; claim 309 of the '451 patent recites "receiving with one of the at least one interface"; and claims 313 and 317 of the '451 patent recite "receiving the originated electronic mail at the interface."

Because the relevant precedent does not address the issue of whether a sale of a claimed method can occur in the United States, even though the contemplated performance of that method would not be wholly within the United States, the issue is one of first impression. We begin with the language of the statute. Section 271(a) does not define "sells" or "offers to sell," nor does the statute specify which infringing acts apply to which types of claims. Section 271(a) was merely a codification of the common law of infringement that had developed up to the time of passage of the 1952 Patent Act. It was not meant to change the law of infringement. *Deepsouth*, 406 U.S. at 530 n.10. A claim directed to a method or process, although somewhat controversial in the Nineteenth Century, is now a well-established form of claiming. *See In re Tarczy-Hornoch*, 397 F.2d 856, 857-65 (C.C.P.A. 1968) (describing the evolution of Supreme Court precedent concerning process claims). Nevertheless, the precise contours of infringement of a method claim have not been clearly established.

In *Enercon GmbH v. International Trade Commission*, 151 F.3d 1376 (Fed. Cir. 1998), this court considered the meaning of the phrase "sale for importation" in the International Trade Commission's governing statute, 19 U.S.C. § 1337. Because the term "sale" was not defined in the statute, we assumed that Congress intended to give the term its ordinary meaning. *Id.* at 1381. In considering the ordinary meaning, we looked to dictionaries and to the Uniform Commercial Code. *Id.* at 1382. We employ a similar methodology here, looking to the ordinary meaning of the term "sale." The definition of "sale" is: "1. The transfer of property or title for a price. 2. The agreement by which such a transfer takes place. The four elements are (1) parties competent to contract, (2) mutual assent, (3) a thing capable of being transferred, and (4) a price in money paid or promised." *Black's Law Dictionary* 1337 (7th ed. 1999). Thus, the ordinary meaning of a sale includes the concept of a transfer of title or property. The definition

also requires as the third element "a thing capable of being transferred." It is difficult to apply this concept to a method claim consisting of a series of acts. *See Minton v. Nat'l Ass'n of Sec. Dealers, Inc.*, 336 F.3d 1373, 1378(Fed. Cir. 2003) ("[A] process is a series of acts, and the concept of sale as applied to those acts is ambiguous."). It is difficult to envision what property is transferred merely by one party performing the steps of a method claim in exchange for payment by another party. Moreover, performance of a method does not necessarily require anything that is capable of being transferred.

Congress has consistently expressed the view that it understands infringement of method claims under section 271(a) to be limited to use. The committee reports surrounding the passage of the Process Patents Amendments Act of 1987 indicate that Congress did not understand all of the infringing acts in section 271(a) to apply to method claims. The Senate Report explains, "Under our current patent laws, a patent on a process gives the patentholder the right to exclude others from using that process in the United States without authorization from the patentholder. The other two standard aspects of the patent right—the exclusive right to make or sell the invention—are not directly applicable to a patented process." S. Rep. No. 100-83, at 30 (1987). The House Report expresses a similar view: "With respect to process patents, courts have reasoned that the only act of infringement is the act of making through the use of a patented process . . . ." H.R. Rep. No. 99-807, at 5 (1986). Although this issue has not been directly addressed, this court expressed a similar view in *Joy Technologies, Inc. v. Flakt, Inc.*, 6 F.3d 770 (Fed. Cir. 1993). In that case, we said, "A method claim is *directly* infringed only by one practicing the patented method." *Id.* at 775.

In 1994, Congress passed legislation to implement the Uruguay Round of the General Agreement on Tariffs and

Trade. Uruguay Round Agreements Act, Pub. L. No. 103-465, 108 Stat. 4809 (1994). That legislation modified section 271(a) to include the infringing acts of offering to sell and importing into the United States. *Id.* § 533, 108 Stat. at 4988. The portion of the Uruguay Round being implemented in the modification of section 271(a) was the Agreement on Trade-Related Aspects of Intellectual Property Rights. That agreement clearly spells out the rights to be protected. It states:

1. A patent shall confer on its owner the following exclusive rights:

(a) where the subject matter of a patent is a product, to prevent third parties not having the owner's consent from the acts of: making, using, offering for sale, selling or importing for these purposes that product;

(b) where the subject matter of a patent is a process, to prevent third parties not having the owner's consent from the act of using the process, and from the acts of: using, offering for sale, selling, or importing for these purposes at least the product obtained directly by that process.

Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, art. 28, H.R. Doc. No. 103-316, at 1634 (1994) (footnote omitted). The agreement makes clear that claimed processes are to be directly protected only from "the act of using the process." The joint committee report from the Senate reflects the same understanding: "The list of exclusive rights granted to patent owners is expanded to preclude others from offering to sell or importing products covered by a U.S. patent or offering to sell the products of patented processes." S. Rep. 103-412, at 230 (1994). Thus, the legislative history of section 271(a) indicates Congress's understanding that method claims could only be directly infringed by use.

In the context of the on sale bar, we have held that a method claim may be invalid if an offer to perform the method was made prior to the critical date. *Scaltech Inc. v. Retec/Tetra, LLC*, 269 F.3d 1321, 1328 (Fed. Cir. 2001) ("The on sale bar rule applies to the sale of an 'invention,' and in this case, the invention was a proces, as permitted by § 101. As a result, the process involved in this case is subject to § 102(b)."); *see also Robotic Vision Sys., Inc. v. View Eng'g, Inc.*, 249 F.3d 1307 (Fed. Cir. 2001) (affirming invalidity of claimed method under on sale bar where device capable of performing claimed method was sold). Nevertheless, we have previously "decline[d] to import the authority construing the 'on sale' bar of § 102(b) into the 'offer to sell' provision of § 271(a)." *3D Sys., Inc. v. Aarotech Labs., Inc.*, 160 F.3d 1373, 1379 n.4 (Fed. Cir. 1998). As the Supreme Court cautioned in *Deepsouth*, 406 U.S. at 531: "We would require a clear and certain signal from Congress before approving the position of a litigant who, as respondent here, argues that the beachhead of privilege is wider, and the area of public use narrower, than courts had previously thought." The indication we have from Congress on infringement by selling or offering to sell method claims shows that it believes the beachhead is narrow.

In this case, we conclude that the jury could not have found that RIM infringed the asserted method claims under the "sells" or "offers to sell" prongs of section 271(a). We need not and do not hold that method claims may not be infringed under the "sells" and "offers to sell" prongs of section 271(a). Rather, we conclude only that RIM's performance of at least some of the recited steps of the asserted method claims as a service for its customers cannot be considered to be selling or offering to sell the invention covered by the asserted method claims. The sale or offer to sell handheld devices is not, in and of itself, enough. Thus, we conclude as a matter of law that RIM did not sell or offer to sell the invention covered by NTP's method claims within the United States.

c. *"imports into the United States"*

Because the jury's instruction on direct infringement by RIM included the act of importing, we must consider next whether the jury could have found that RIM imported any of the processes covered by the asserted method claims in violation of section 271(a). Like the sell and offer to sell provisions discussed *supra*, the question of whether a method claim can be infringed by importation is a difficult one conceptually. The legislative history cited with respect to the sell and offer to sell provisions indicates that Congress did not consider the "import" prong of section 271(a) to apply to method claims. However, we need not decide that broad issue. We hold only that for the same reasons that the jury could not have found that RIM infringed the method claims under the sale or offer for sale prongs, it could not have found infringement by importation under the facts of this case.

3. *Section 271(f)*

RIM argues that it could not infringe under section 271(f)(1) as a matter of law because it did not reship the handhelds and software components from the United States to induce combination in Canada. RIM argues that it could not infringe under section 271(f)(2) because it did not intend to reship the components from the United States to Canada for combination. RIM also asserts that it could not intend or induce any combination "outside the United States" because no component combined with the Relay in Canada was shipped to Canada from the United States.

NTP counters that the claimed system is formed somewhere and that RIM induced or intended that formation by supplying components in the United States. NTP argues that RIM infringes under section 271(f), regardless of whether components supplied in the United States move across borders.

The arguments of the parties are directed to the system claims but do not address infringement of the method claims under section 271(f). Because we have determined that the system claims are infringed under section 271(a), we need not consider infringement of the system claims under section 271(f) and will limit our infringement analysis under section 271(f) to the method claims at issue.

The statute provides:

> (1) Whoever without authority supplies or causes to be supplied in or from the United States all or a substantial portion of the *components of a patented invention*, where such components are uncombined in whole or in part, in such manner as to actively induce the combination of such components outside of the United States in a manner that would infringe the patent if such combination occurred within the United States, shall be liable as an infringer.
>
> (2) Whoever without authority supplies or causes to be supplied in or from the United States any component of a patented invention that is especially made or especially adapted for use in the invention and not a staple article or commodity of commerce suitable for substantial non-infringing use, where such component is uncombined in whole or in part, knowing that such component is so made or adapted and intending that such component will be combined outside of the United States in a manner that would infringe the patent if such combination occurred within the United States, shall be liable as an infringer.

35 U.S.C. § 271(f) (2000) (emphases added).

As discussed *supra*, section 271(f) was Congress's response to *Deepsouth*, which involved an article of manufacture and not a process. 406 U.S. at 519-20. During the legislative debates, Congress discussed components of a

"product" but did not refer to components of a "process." S. Rep. No. 98-663, at 3, 6 (1984); 130 Cong. Rec. 28,069 (1984).

Recently, the court in *Eolas Technologies Inc. v. Microsoft Corp.*, 399 F.3d 1325, 1338-41 (Fed. Cir. 2005), addressed section 271(f) in the context of a suit for infringement of claim to an article of manufacture. In *Eolas*, the issue was whether software code exported on a "golden master" disk could be "a component[] of a patented invention" under section 271(f). *Id.* at 1338-39. The claim was directed to a software product, comprising (1) "a computer usable medium having computer readable program code physically embodied therein" and (2) "computer readable program code." U.S. Patent No. 5,838,906, col. 17, I. 58–col. 18, I. 30. *Eolas* held that software code—even if intangible—is a component of a patented product within the meaning of § 271(f). *Eolas*, 399 F.3d at 1338-41. The holding does not impact the application of section 271(f) to the method claims in the present appeal. Although *Eolas* was correct to observe that Congress did not expressly limit section 271(f) to a specific type of invention, we have held that "[t]he very nature of the invention may compel a difference." *Minton v. Nat'l Ass'n of Sec. Dealers, Inc.*, 336 F.3d 1373, 1378 (Fed. Cir. 2003). A method, by its very nature, is nothing more than the steps of which it is comprised. The invention recited in a method claim is the performance of the recited steps. *In re Kollar*, 286 F.3d at 1332 (recognizing "the distinction between a claim to a product, device, or apparatus, all of which are tangible items, and a claim to a process, which consists of a series of acts or steps . . . . [A process] consists of doing something, and therefore has to be carried out or performed").

While it is difficult to conceive of how one might supply or cause to be supplied all or a substantial portion of the steps of a patented method in the sense contemplated by the phrase "components of a patented invention" in section 271(f), it is

clear that RIM's supply of the BlackBerry handheld devices and Redirector products to its customers in the United States is not the statutory "supply" of any "component" steps for combination into NTP's patented methods. *See Standard Havens Prods., Inc. v. Gencor Indus., Inc.*, 953 F.2d 1360, 1374 (Fed. Cir. 1991) (holding that the sale in the United States of an apparatus for carrying out a claimed process did not infringe the process claim under § 271(f) where the customer practiced the process abroad); *cf. Joy Techs.*, 6 F.3d at 773 (stating that "[t]he law is unequivocal that the sale of equipment to perform a process is not a sale of the process within the meaning of section 271(a)"). By merely supplying products to its customers in the United States, RIM is not supplying or causing to be supplied in this country any steps of a patented process invention for combination outside the United States and cannot infringe NTP's asserted method claims under section 271(f) as a matter of law.

4. *Section 271(g)*

The next question is whether RIM can be said to "import[] into . . . or offer[] to sell, sell[], or use[] within the United States a product which is made by a process patented in the United States" and thus infringe under 35 U.S.C. § 271(g). The district court held that "wireless electronic mail" specially formatted by a patented process can be a "product" under section 271(g). *Section 271 Order* at 13-14. The district court compared the breadth of "product" to the breadth of patentable subject matter, cited to *Diamond v. Chakrabarty*, 447 U.S. 303 (1980), and explained that specially formatted wireless e-mail is not naturally occurring, an abstract idea, or a physical phenomenon. *Section 271 Order* at 14.

RIM argues that the product created by the NTP process is data or information, and that *Bayer AG v. Housey Pharmaceuticals, Inc.*, 340 F.3d 1367 (Fed. Cir. 2003), held that section 271(g) does not cover the production of intangible items. NTP counters that *Bayer* held only that a "product"

cannot be "information in the abstract." NTP asserts that the "email packets" flowing from the BES, to the interface, and back to the RF receiver, have a "tangible" structure which includes the interface address, an RF address, and the inputted message. NTP argues that *AT&T Corp. v. Excel Communications, Inc.*, 172 F.3d 1352 (Fed. Cir. 1999); *State Street Bank & Trust Co. v. Signature Financial Group*, 149 F.3d 1368 (Fed. Cir. 1998); and *In re Alappat*, 33 F.3d 1526 (Fed. Cir. 1994), illustrate that the transformation of data can produce a tangible result, that RIM transforms data by moving email through the network, and that the tangible result of the transformation is a product under section 271(g). NTP adds that RIM "manufactures" email into its tangible structure and "imports" email using patented methods, in part, by replacing the interface address with the RF receiver address at the interface Relay. RIM responds that the email packets that it may transfer into the United States are not manufactured, physical goods, and therefore are not "products" under section 271(g).

In *Bayer*, we considered whether research data from the performance of a method to identify substances, which inhibit or activate a protein affecting characteristics of the c ll, was "a product which is made by a process." 340 F.3d at 1370. We held that "the production of information is not covered" by section 271(g), explaining that the process must be for the "manufacturing" of "a physical article." *Id.* at 1377. In this case, the relevant claims are directed to methods for the transmission of information in the form of email messages. *See* '960 patent, col. 52, ll. 12-50; col. 54, ll. 31-36, 59-68; col. 55, ll. 10-14 (claiming methods for "transmitting" information from an originating processor to a destination processor); '172 patent, col. 82, ll. 11-33, 57-64 (claiming a method for "transmitting and distributing an inputted message" through an email system and an RF system); '451 patent, col. 51, ll. 41-60; col. 58, ll. 8-26, 34-63; col. 59, ll. 1-6, 24-30 (claiming methods for "transmitting information"

contained in email using a communication system and RF system, and for "transmitting and distributing inputted information through a distributed system"). Because the "transmission of information," like the "production of information," does not entail the manufacturing of a physical product, section 271(g) does not apply to the asserted method claims in this case any more than it did in Bayer.

AT&T, State Street Bank, Alappat, and *Chakrabarty* do not command a different result because sections 101 and 271(g) are not coextensive in their coverage of process inventions. Although section 101 extends to "a[ny] process that applies an equation to a new and useful end," *AT&T*, 172 F.3d at 1357, section 271(g) does not cover every patented process and its purported result, *Bayer*, 340 F.3d at 1370. In *Bayer*, we expressed no doubt that a process producing research data is patentable under section 101. *See* 340 F.3d at 1371-78. However, we held that section 271(g) was inapplicable because research data is not a physical product. *Id.* at 1378. NTP's argument that the transformation of data and the manipulation of addresses qualify the asserted processes for section 271(g) protection is unpersuasive. The requirement that a process transform data and produce a "tangible result" was a standard devised to prevent patenting of mathematical abstractions. *AT&T*, 172 F.3d at 1359. We rejected this "tangible result" test for section 271(g) in *Bayer* when we held that research data—a "tangible result" for section 101 purposes—did not garner the protection of section 271(g).

For the foregoing reasons, the district court erred in not holding as a matter of law that § 271(g) was inapplicable to the asserted method claims.

5. *Denial of Judgment as a Matter of Law*

"The grant or denial of a motion for judgment as a matter of law is a procedural issue not unique to patent law, reviewed under the law of the regional circuit in which the

appeal from the district court would usually lie." *Summit Tech., Inc. v. Nidek Co.*, 363 F.3d 1219, 1223 (Fed. Cir. 2004). Under the law of the Fourth Circuit, the denial of a motion for judgment as a matter of law is reviewed *de novo*. *Johnson v. MBNA Am. Bank, NA*, 357 F.3d 426, 431 (4th Cir. 2004). "We must view the evidence in the light most favorable to . . . the nonmovant, and draw all reasonable inferences in [the nonmovant's] favor without weighing the evidence or assessing the witnesses' credibility." *Id.* "The question is whether a jury, viewing the evidence in the light most favorable to [the nonmovant], could have properly reached the conclusion reached by this jury ' *Baynard v. Malone*, 268 F.3d 228, 235 (4th Cir. 2001). "We must reverse [the denial of a motion for JMOL] if a reasonable jury could only rule in favor of [the movant]; if reasonable minds could differ, we must affirm." *Id.*

To establish that no reasonable jury could have found infringement, RIM challenges the testimony of NTP's expert, Dr. Vernon Rhyne, who opined during trial that the BlackBerry Corporate and Internet solutions met the limitations of asserted claims from the '960, '670, '172, and '451 patents. According to RIM, Dr. Rhyne's testimony was inconsistent with that of Alan Lewis, a RIM employee, though it was Lewis's testimony on which Dr. Rhyne, in part, based his conclusions. This inconsistency, argues RIM, prevented the testimony from amounting to substantial evidence on which a jury could deliver a verdict of infringement. We disagree. As NTP correctly notes, (1) Dr. Rhyne's testimony was not based exclusively on Lewis's testimony, and (2) the jury had before it evidence other than Dr. Rhyne's testimony that demonstrated infringement. We conclude that the district court did not err in denying RIM's JMOL motion of non-infringement.

RIM next contends no reasonable jury could have found the asserted claims to be not invalid over certain "AlohaNet"

prior art, either alone or in combination with a 1975 article by the AlohaNet inventor, Dr. Abramson. AlohaNet was a pioneering network system developed at the University of Hawaii. According to RIM, the AlohaNet system facilitated communications over both wireline and wireless networks as early as 1973. At trial, RIM's expert, Dr. Reed, testified that the AlohaNet system met each of the asserted claim limitations. On appeal, RIM attempts to rebut the three distinctions drawn by NTP at trial to differentiate the Campana invention from the prior art. In response, NTP emphasizes that RIM's invalidity argument was premised on the testimony of Dr. Reed, which the jury found not to be credible. In its JMOL order, the district court reached this same conclusion: "[M]uch of Dr. Reed's direct testimony was conclusory and failed to analyze and explain the claim language and which components of the prior art embodied each element of the asserted claims." *JMOL Order*, slip op. at 6. We agree with the district court that "[s]uch conclusory evidence is hardly enough to meet RIM's high burden of clear and convincing evidence with respect to anticipation and obviousness." *Id.* We thus affirm the district court's denial of JMOL on the validity issue.

C. *Evidentiary Rulings*

Finally, RIM contests three evidentiary rulings made by the court: (1) the exclusion of the testimony of Larry Nixon, a patent attorney who would have testified on behalf of RIM that under the district court's claim construction, the claims were invalid for want of an adequate written description, *see* 35 U.S.C. § 112;[16] (2) the exclusion of the testimony of RIM employee Alan Lewis, who was to opine on certain aspects of

[16] Our decision that the district court did not abuse its discretion in excluding the particular testimony in this case should not be read as expressing a view on the propriety of the use of patent attorneys as experts on patent law issues generally.

the BES system; and (3) the exclusion of the demonstration of a "TekNow" prior art system and related testimony after doubt was cast on the authenticity of that evidence. In reviewing a district court's evidentiary rulings, we apply the law of the relevant regional circuit. *Sulzer Textil A.G. v. Picanol N.V.*, 358 F.3d 1356, 1363 (Fed. Cir. 2004). Under the law of the Fourth Circuit, the district court's exclusion of expert testimony is reviewed under an abuse of discretion standard. *United States v. Wilkerson*, 84 F.3d 692, 696 (4th Cir. 1996). We have reviewed RIM's arguments in connection with these evidentiary rulings and have concluded that the court acted within its discretion.

III. CONCLUSION

In conclusion, we alter the district court's construction of the claim term "originating processor." We affirm the remainder of the district court's claim constructions. We conclude that the district court correctly denied RIM's motion for judgment as a matter of law ("JMOL"), and did not abuse its discretion in denying evidentiary motions. We further conclude that the district court was correct in sending the question of infringement of the system and apparatus claims to the jury, but erred as a matter of law in entering judgment of infringement of the method claims. Accordingly, we reverse the judgment of infringement as to the asserted method claims, namely, claims 32 and 34 of the '960 patent; claim 199 of the '172 patent; and claims 309, 313, 317 of the '451 patent. We affirm the judgment of infringement with respect to the system and apparatus claims that do not contain an "originating processor" limitation, namely, claims 28 and 248 of the '451 patent, and claims 150, 278, 287, 653, and 654 of the '592 patent. We vacate the judgment of infringement of the system claims that contain the "originating processor" limitation, namely, claim 15 of the '960 patent; claim 8 of the '670 patent; and claim 40 of the '592 patent (through its parent claim 25), and remand to the district court the questions of

whether and to what extent the jury verdict of infringement should be set aside, based on the prejudicial effect, if any, of the district court's erroneous claim construction of the term "originating processor." We vacate the damage award and the injunction and affirm the district court's judgment in all other respects.

On remand, if prejudice is shown with respect to the claims containing the "originating processor" limitation, and because the jury verdict did not specify the amount of infringing sales attributed to each individual patent claim, or the specific devices and services determined by the jury to infringe each separately asserted claim, the district court will have to determine the effect of any alteration of the jury verdict on the district court's damage award and on the scope of the district court's injunction. We thus affirm-in-part, reverse-in-part, vacate-in-part, and remand for further proceedings consistent with this opinion.

IV. COSTS

Each party shall bear its own costs.

AFFIRMED-IN-PART,
REVERSED-IN-PART,
VACATED-IN-PART, AND REMANDED

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

[Filed Oct. 7, 2005]

ORDER

A combined petition for panel rehearing and for rehearing en banc having been filed by the APPELLANT, and a response thereto having been invited by the court and filed by the APPELLEE, and the petition for rehearing having been referred to the panel that heard the appeal*, and thereafter the petition for rehearing en banc and response having been referred to the circuit judges who are in regular active service,

UPON CONSIDERATION THEREOF, it is

ORDERED that the petition for panel rehearing be, and the same hereby is, DENIED and it is further

ORDERED that the petition for rehearing en banc be, and the same hereby is, DENIED.

The mandate of the court will issue on October 14, 2005.

FOR THE COURT,

/s/ Jan Horbaly
JAN HORBALY
Clerk

Dated: October 7, 2005

cc: David W. Long
James H. Wallace, Jr.
H. Moyer, Jr., L. Resh, D. Heist
P.Swain,S.Cahoon,D.Morehous,J.Nomkin

NTP INC V RESEARCH IN MOTION, 03-1615
(DCT—01-CV-767)

---

* Six amicus curiae briefs were filed and circulated.

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

03-1615

NTP, INC.,
Plaintiff-Appellee,

v.

RESEARCH IN MOTION, LTD.,
Defendant-Appellant.

Henry C. Bunsow, Howrey Simon Arnold & White, LLP, of San Francisco, California, filed a combined petition for panel rehearing and rehearing en banc for defendant-appellant. With him on the petition were *Robert C. Laurenson*, of Irvine, California, and *David W. Long*, of Washington, DC.

James H. Wallace, Jr., Wiley, Rein & Fielding LLP, of Washington, DC, filed a response to the petition for plaintiff-appellee. With him on the response were *John B. Wyss, Gregory R. Lyons, Scott E. Bain, Floyd B. Chapman*, and *Kevin P. Anderson*.

Philip C. Swain, Foley Hoag LLP, of Boston, Massachusetts, filed an amicus curiae brief for the Canadian Chamber of Commerce. With him on the brief was *Carla Miriam Levy*.

Homer E. Moyer, Jr., Miller & Chevalier, Chartered, of Washington, DC, filed an amicus curiae brief for The Government of Canada. With him on the brief was *Michael T. Brady*.

Linda S. Resh, Kirkland & Ellis LLP, of Chicago, Illinois, filed an amicus curiae brief for the Information Technology Association of Canada. With her on the brief was *Craig D. Leavell*.

Susan A. Cahoon, Kilpatrick Stockton LLP, of Atlanta, Georgia, filed an amicus curiae brief for Earthlink, Inc. With her on the brief was *Kristin J. Doyle*.

Appealed from: United States District Court for the Eastern District of Virginia

Chief Judge James R. Spencer

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

03-1615

NTP, INC.,
Plaintiff-Appellee,

v.

RESEARCH IN MOTION, LTD.,
Defendant-Appellant.

Before MICHEL,* *Chief Judge*, SCHALL, and LINN, *Circuit Judges*.

ORDER

A combined petition for panel rehearing and rehearing en banc was filed by Research In Motion, Ltd. ("RIM"). A response thereto was invited by the court and filed by NTP, Inc. ("NTP"). Briefs of amicus curiae were filed by Earthlink, Inc.; The Canadian Chamber of Commerce; Information Technology Association of Canada; and The Government of Canada. Thereafter, these filings were referred to the merits panel that heard the appeal.

Upon consideration thereof,

IT IS ORDERED THAT:

(1) the petition for panel rehearing is granted for the limited purpose of revising portions of the opinion treating Section 271, and

---

* Paul R. Michel assumed the position of Chief Judge on December 25, 2004.

(2) the previous opinion of the court in this appeal, issued on December 14, 2004 and reported at 392 F.3d 1336, is withdrawn. The new opinion accompanies this order.

FOR THE COURT

August 2, 2005
Date

/s/ Jan Horbaly
JAN HORBALY
Clerk

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

03-1615

NTP, INC.,
Plaintiff-Appellee,

v.

RESEARCH IN MOTION, LTD.,
Defendant-Appellant.

James H. Wallace, Jr., Wiley, Rein & Fielding LLP, of Washington, DC, argued for plaintiff-appellee. With him on the brief were *John B. Wyss, Gregory R. Lyons, Scott E. Bain, David B. Walker, Floyd B. Chapman*, and *Kevin P. Anderson*.

Henry C. Bunsow, Howrey Simon Arnold & White, LLP, of San Francisco, California, argued for defendant-appellant. With him on the brief were *R. Scott Wales* and *David Makman*, of San Francisco, California; *Robert C. Laurenson*, of Irvine, California; and *Celine T. Callahan*, of Washington, DC. Of counsel were *David W. Long* and *Heather Diane McAllister*, of Washington, DC.

Appealed from: United States District Court for the Eastern District of Virginia

Judge James R. Spencer

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

03-1615

NTP, INC.,
Plaintiff-Appellee,

v.

RESEARCH IN MOTION, LTD.,
Defendant-Appellant.

DECIDED: December 14, 2004

Before MICHEL, SCHALL, and LINN, *Circuit Judges.*

LINN, *Circuit Judge.*

Research In Motion, Ltd. ("RIM") appeals from a judgment of the U.S. District Court for the Eastern District of Virginia ("district court") entered in favor of NTP, Inc. ("NTP") following a jury verdict that RIM's BlackBerry™ system infringed NTP's U.S. Patents Nos. 5,436,960 ("the '960 patent"); 5,625,670 ("the '670 patent"); 5,819,172 ("the '172 patent"); 6,067,451 ("the '451 patent"); and 6,317,592 ("the '592 patent") (collectively, "the patents-in-suit") and awarding damages to NTP in the amount of $53,704,322.69. *NTP, Inc. v. Research in Motion, Ltd.*, No. 3:01CV767 (E.D. Va. Aug. 5, 2003) ("*Final Judgment*"). The court, in a final order also appealed by RIM, permanently enjoined any further infringement by RIM, but stayed the injunction pending this appeal. We conclude that the district court erred in construing the claim term "originating processor," but did not err in construing any of the other claim terms on appeal. We also conclude that the district court correctly found infringement under 35 U.S.C. § 271(a), correctly denied

RIM's motion for judgment as a matter of law ("JMOL"), and did not abuse its discretion in denying evidentiary motions. Thus, we affirm-in-part, vacate-in-part, and remand for further proceedings.

I. BACKGROUND

The technology at issue relates to systems for integrating existing electronic mail systems ("wireline" systems) with radio frequency ("RE") wireless communication networks, to enable a mobile user to receive email over a wireless network.

A. *Overview of Electronic Mail Technology*

Traditional email systems operate in the following manner: To send an email, a user begins by composing a message in his or her email client. An "email client" is a user interface, such as Microsoft Outlook™, Eudora™, or Hotmail™, that organizes and displays a user's email messages and provides the user with a means of creating and sending email messages. The message begins with a specific destination address, *i.e.*, jdoe@***.com, that corresponds to the recipient's user identification, "jdoe," and his or her internet service provider ("ISP" or "host"), "***.com." *See generally* Andrew S. Tanenbaum, *Computer Networks* 592-611 (4th ed. 2003). When the message is sent, it is transferred first from the sender's machine to his or her ISP. *Id.* at 607. The sender's host then uses a domain name server to identify the recipient's ISP mail server and its associated internet protocol ("IP") address. *Id.* A connection is then established by the sender's host with the recipient's ISP mail server, facilitating transfer of the message. *Id.* at 607-08. The message is next sorted by the recipient's ISP mail server into the recipient's particular "mailbox," where it is stored until the recipient initiates a connection with the server and downloads the message off the server onto his or her personal machine. This configuration is commonly referred to as a "pull" system

because emails cannot be distributed to the user's machine without a connection being initiated by the user to "pull" the messages from the mail server.

B. *Problems With the Prior Art Systems*

As societal dependence on email and computers increased throughout the 1990s, so did the demand for mobile internet access. *See generally* Richard Duffy & Denis Gross, "World Without Wires," 22 *Communications Int'l* 72 (June 1995) (describing "user demand" as "one of the most important driving factors behind the mobile data market"). The increased portability of computers via laptop machines exacerbated this demand. *See id.*; '960 patent, col. 4, ll. 19-39. Available methods of remote internet access were cumbersome and inefficient for the traveling businessperson, however, as the patents-in-suit explain:

> As personal computers are used more frequently by business travellers, the problem of electronic mail delivery becomes considerably more difficult. A business traveller carrying a portable PC has great difficulty in finding a telephone jack to connect the PC to fetch electronic mail from either a host computer or a gateway switch. Connections for a PC's modem are difficult to find in airports . . . . Hotels and motels often have internal PABX's that prevent calls from automatically being placed by the user's PC to electronic mail gateway switches to receive information. . . . The inability to find an appropriate connection to connect the PC modem when travelling has contributed to the degradation of electronic mail reception when the recipient is travelling.

'960 patent, col. 3, l. 60—col. 4, l. 12. RIM's technical documentation for its BlackBerry products echoes the undesirability of these constraints:

> Typically, mobile professionals use a laptop when traveling and dial-in to the corporate email server from a

> hotel room to manage an inbox full of email. The more adventurous use special software to send email notification to a pager or cell phone so they know what is in their inbox before spending the time and effort to dial-in. Focus groups and market research on mobile email revealed common complaints with dialing-in—the inconvenience of lugging a laptop around just for email; the trouble of finding a connection and dialing-out of the hotel; the difficulty of negotiating corporate dial-in security; and the cost of phone charges when dialing-in to the corporate server.

Research in Motion Ltd., *Technical White Paper BlackBerry Enterprise Edition* ™ 3 (2001) ("*White Paper*").

C. *The Patents-in-Suit*

Inventors Thomas J. Campana, Jr.; Michael P. Ponschke; and Gary F. Thelen (collectively "Campana") developed an electronic mail system that was claimed in the '960, '670, '172, '451, and '592 patents. The '960 patent, filed on May 20, 1991, is the parent of a string of continuation applications. The most recent patent, the '592 patent, filed December 6, 1999, is a continuation of the '451 patent, filed September 28, 1998. The '451 patent, in turn, is a continuation of the '172 patent, which itself originates from the '670 patent, a direct continuation of the parent '960 patent. As continuations of that single parent application, these patents contain the same written descriptions as the '960 patent. NTP now owns these five patents-in-suit.

Campana's particular innovation was to integrate existing electronic mail systems with RF wireless communications networks. *See* '960 patent, col. 18, ll. 32-39. In simplified terms, the Campana invention operates in the following manner: A message originating in an electronic mail system may be transmitted not only by wireline but also via RF, in which case it is received by the user and stored on his or her

mobile RF receiver. The user can view the message on the RF receiver and, at some later point, connect the RF receiver to a fixed destination processor, *i.e.*, his or her personal desktop computer, and transfer the stored message. *Id.* at col. 18, II. 39-66. Intermediate transmission to the RF receiver is advantageous because it "eliminat[es] the requirement that the destination processor [be] turned on and carried with the user" to receive messages. *Id.* at col. 18, II. 44-46. Instead, a user can access his or her email stored on the RF receiver and "review . . . its content without interaction with the destination processor," *id.* at col. 18, I. 67—col. 19, I. 1, while reserving the ability to transfer the stored messages automatically to the destination processor, *id.* at col. 19, II. 1-2. The patents-in-suit do not disclose a method for composing and sending messages from the RF receiver.

D. *The Accused System*

RIM is a Canadian corporation with its principal place of business in Waterloo, Ontario. RIM sells the accused BlackBerry system, which allows out-of-office users to continue to receive and send electronic mail, or "email" communications, using a small wireless device. The system utilizes the following components: (1) the BlackBerry handheld unit (also referred to as the "BlackBerry Pager"); (2) email redirector software (such as the BlackBerry Enterprise Server ("BES"), the Desktop Redirector, or the Internet Redirector); and (3) access to a nationwide wireless network (such as Mobitex, DataTAC, or GPRS).

The BlackBerry system uses "push" email technology to route messages to the user's handheld device without a user-initiated connection. There are multiple BlackBerry email "solutions" that interface with different levels of the user's email system. In the Desktop solution, the BlackBerry email redirector software, the Desktop Redirector, is installed on the user's personal computer. In the Corporate solution, different BlackBerry email redirector software, the BES program, is

installed on the organizational user's mail server, where it can function for the benefit of the multiple users of that server. Also at issue in this case is RIM's Internet solution of the BlackBerry system. The Internet solution operates in a manner similar to the Corporate solution, but it executes a different email redirector software, Internet Redirector. In either version, the BlackBerry email redirector software merges seamlessly with the user's existing email system. The operation of the email redirector software is transparent to the user's desktop email client and the organizational user's mail server. That is, the user's email system does not recognize or incorporate the BlackBerry wireless system into its operation. No modification of the underlying email system is required to run RIM's wireless email extension. When new mail is detected in the Desktop solution, the Desktop Redirector is notified and retrieves the message from the mail server. It then copies, encrypts, and routes the message to the BlackBerry "Relay" component of RIM's wireless network, which is located in Canada. In the Corporate solution, the BES software performs this same function but intercepts the email before the message reaches the individual user's personal computer. The individual user's personal computer need not be turned on for the BES software to properly redirect the user's emails. However, the user retains some control over message forwarding by using the BlackBerry "Desktop Manager." This additional software permits the user to specify his or her email redirection preferences. In both systems, the message travels through the BlackBerry Relay, where it is translated and routed from the processors in the user's email system to a partner wireless network. That partner network delivers the message to the user's BlackBerry handheld, and the user is "notified virtually instantly" of new email messages. *White Paper* at 6. This process, accomplished without any command from the BlackBerry user, is an example of "push" email architecture. *Id.* There are significant advantages to "push" email architecture. Most impor-

tantly, the user is no longer required to initiate a connection with the mail server to determine if he or she has new email. As RIM's technical literature explains, "[b]y having the desktop connect to the user, time spent dialing-up and connecting to the desktop (possibly to find that there is no new email) is eliminated as users . . . are notified virtually instantly of important messages, enabling the user to respond immediately." *Id.*

RIM's system also permits users to send email messages over the wireless network from their handhelds. This functionality is achieved through the integration of an RF transmitter and a processor in the BlackBerry handheld unit. The processor allows the user to manipulate, view, and respond to email on his or her BlackBerry handheld. Sending a message from the handheld requires the same steps as the process for receiving email, only in reverse. When the user composes a message on his or her handheld, it is sent back to that user's desktop machine over the partner and BlackBerry wireless networks. The BlackBerry email redirector software then retrieves the outgoing message from the user's mail server and places it in the user's desktop email software, where it is dispersed through normal channels. In this way, messages sent from the BlackBerry handheld are identical to messages sent from the user's desktop email—they originate from the same address and also appear in the "sent mail" folder of the user's email client.

E. *Procedural History*

On November 13, 2001, NTP filed suit against RIM in the U.S. District Court for the Eastern District of Virginia. NTP alleged that over forty system and method claims from its several patents-in-suit had been infringed by various configurations of the BlackBerry system (comprised of the numerous handheld units; the BES, the Desktop Redirector, and the ISP Redirector software; and the associated wireless networks).

In an Order dated August 14, 2002, the district court construed thirty-one disputed claim terms. *NTP, Inc. v. Research in Motion, Ltd.*, No. 3:01CV767 (E.D. Va. Aug. 14, 2002) ("*Claim Construction Order*"). In that Order, the district court "construed the disputed terms according to their plain and ordinary meaning, as supported by the specification and prosecution history." *Id.*, slip op. at 3. The Order listed the claim terms in contention and their corresponding constructions without additional reasoning or analysis. *See id.*, slip op. at 4-9. A series of summary judgment motions followed the court's *Markman* decision. Setting forth several alternate theories, RIM asked for summary judgment of both non-infringement and invalidity. The issues raised in two of RIM's summary judgment motions remain relevant on appeal: RIM argued (1) that the asserted claims, properly construed, did not read on the accused RIM systems, *see NTP, Inc. v. Research in Motion, Ltd.*, No. 3:01CV767 (E.D. Va. Aug. 5, 2003) (*nunc pro tunc* Oct. 23, 2002) ("*Non-infringement Order*"), and (2) that the physical location of the "Relay" component of the BlackBerry system put RIM's allegedly infringing conduct outside the reach of 35 U.S.C. § 271, *see NTP, Inc. v. Research in Motion, Ltd.*, No. 3:01CV767 (E.D. Va. Aug. 5, 2002) (*nunc pro tunc* Oct. 23, 2002) ("*Section 271 Order*"). The district court denied all of RIM's summary judgment motions.

For its part, NTP asked the district court to grant partial summary judgment of infringement on four claims of the patents-in-suit. In its motion, NTP argued: (1) that the 800 and 900 series BlackBerry handheld units infringed claim 248 of the '451 patent and claim 150 of the '592 patent; (2) that the BES software infringed claim 653 of the '592 patent; and (3) that the BlackBerry system, software, and handhelds infringed claim 15 of the '960 patent. *See NTP, Inc. v. Research in Motion, Ltd.*, No. 3:01CV767 (E.D. Va. Nov. 4, 2002) ("*Order Granting Summary Judgment of Infringement*"). RIM cross-moved for summary judgment of non-

infringement, arguing that its products lacked certain limitations required by the asserted claims. *Id.*, slip op. at 4. The district court agreed with NTP, holding that "no genuine issue of material fact" existed as to infringement of the four claims. *Id.* at 26. Accordingly, the district court granted summary judgment, except as to the issue of infringement of claim 15 of the '960 patent or claim 248 of the '451 patent by the BlackBerry series 5810 handheld device. That issue was reserved for the jury.

The case proceeded to trial on fourteen claims. The fourteen claims submitted to the jury were: claims 15 (with respect to the series 5810 handheld devices only), 32, and 34 of the '960 patent; claim 8 of the '670 patent; claim 199 of the '172 patent; claims 28, 248 (with respect to the series 5810 handheld devices only), 309, 313, and 317 of the '451 patent; and claims 40, 278, 287,[1] and 654 of the '592 patent. A verdict was rendered on November 21, 2002. On every issue presented, the jury found in favor of the plaintiff, NTP. The jury found direct, induced, and contributory infringement by RIM on all asserted claims of the patents-in-suit. The jury also found that the infringement was willful. It rejected every defense proposed by RIM. Adopting a reasonable royalty rate of 5.7%, the jury awarded damages to NTP in the amount of approximately $23 million.

Following the jury verdict, RIM moved the court for JMOL or, in the alternative, for a new trial.[2] The court denied these motions. *NTP, Inc. v. Research in Motion, Ltd.*, No. 3:01CV767 (E.D. Va. May 23, 2003) ("*JMOL Order*"). On

---

[1] Claim 287 is a multiple dependent claim. While the record is unclear, it appears to have been presented to the jury as dependent from claim 150 only.

[2] After the jury verdict, the United States Patent and Trademark Office initiated re-examination of the '670, '172, '451, and '592 patents, and granted RIM's petition for re-examination of the '960 patent. The re-examination process has yet to be completed.

August 5, 2003, the district court entered final judgment in favor of NTP. The court awarded monetary damages totaling $53,704,322.69, with the following approximate division: (1) compensatory damages of $33 million; (2) attorneys' fees of $4 million; (3) prejudgment interest of $2 million; and (4) enhanced damages of $14 million. *Final Judgment*, slip op. at 1. The court also entered a permanent injunction against RIM, enjoining it from further manufacture, use, importation, and/or sale of all accused BlackBerry systems, software, and handhelds. *Id.* at 2-3. The injunction has been stayed pending this appeal.

RIM timely appealed from the district court's final judgment and injunction. We have jurisdiction pursuant to 28 U.S.C. § 1295(a)(1).

II. ANALYSIS

A. *Claim Construction*

In the district court, NTP ultimately asserted against RIM, and RIM was found to have infringed, sixteen system and method claims of five different patents owned by NTP. This includes both the claims resolved by the court in NTP's favor on summary judgment and the claims submitted to the jury for a determination of infringement. These claims are: claims 15, 32, and 34 of the '960 patent; claim 8 of the '670 patent; claim 199 of the '172 patent; claims 28, 248, 309, 313, and 317 of the '451 patent; and claims 40, 150, 278, 287, 653, and 654 of the '592 patent.[3] All of these claims, with the exception of claim 150 of the '592 patent, are dependent claims.

---

[3] We note that the injunction lists only fifteen claims, omitting claim 287 of the '592 patent. *Final Judgment*, slip op. at 3. Based on the record before us, we cannot determine why the jury's finding of infringement as to claim 287 was not included in the injunction. Even though claim 287 is not listed in the injunction, it was before the jury and presumptively was factored into the jury's calculation of damages, which is part of the judgment before us on appeal.

The parental lineage of the adjudicated claims is indicated in the following table:

Patent	Disputed claim → Parental Lineage
'960	15 → 11 → 1
	32 → 28 → 18
	34 → 18
'670	8 → 4 → 1
'172	199 → 194
'451	28 → 26 → 1
	248 → 247 → 246
	308 → 308 → 250
	313 → 311
	317 → 313 → 311
'592	40 → 25 → 10 → 4 → 1
	150
	278 → 232 → 186 → 171 → 156 → 150
	287 → 150
	653 → 652
	654 → 653 → 652

On appeal, RIM challenges the judgment of infringement with respect to each of the asserted claims. RIM argues that the district court erred in construing the claim terms: (a) "electronic mail system" (appearing in the '960, '670, and '172 patents); (b) "gateway switch" (appearing in the '960 patent); and (c) "originating processor" and "originated information" (appearing in the '960, '670, and '592 patents). Further, RIM argues that the district court erred in failing to impose general restrictions on certain asserted claims and in failing to construe certain terms relating to asserted claims; specifically: (d) a "dual pathways" limitation, requiring that at least one destination processor be accessible through *both* a wireline and an RF pathway (relating to asserted claims of the '960 and '670 patents); (e) a limitation requiring that the RF receiver and destination processor be "separate and distinct" entities (relating to asserted claims of the '960, '670, and '592 patents, and to certain asserted claims of the '451 patent); and (f) the term "processor outside any electronic mail system" (relating to the '960 patent). We consider each, in turn.

1. *Claim Construction Precedent*

Because NTP's patents all derive from the same parent application and share many common terms, we must interpret the claims consistently across all asserted patents. *See, e.g., Microsoft Corp. v. Multi-Tech Sys., Inc.*, 357 F.3d 1340, 1350 (Fed. Cir. 2004) (holding that statements made in prosecution of one patent are relevant to the scope of all sibling patents); *Laitram Corp. v. Morehouse Indus., Inc.*, 143 F.3d 1456, 1460 & n.2 (Fed. Cir. 1998) (noting that it was proper to consider the prosecution histories of two related re-examination patents originating from the same parent, to determine the meaning of a term used in both patents). We thus draw distinctions between the various patents only where necessary.

Claim construction presents a question of law that this court reviews *de novo. Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448, 1456 (Fed. Cir. 1998) (en banc). We begin our claim construction analysis with the words of the claim. *See Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1582 (Fed. Cir. 1996). "In construing claims, the analytical focus must begin and remain centered on the language of the claims themselves, for it is that language that the patentee chose to use to 'particularly point[] out and distinctly claim[] the subject matter which the patentee regards as his invention.' 35 U.S.C. § 112, ¶ 2." *Interactive Gift Express, Inc. v. Compuserve, Inc.*, 256 F.3d 1323, 1331 (Fed. Cir. 2001). In the absence of an express intent to impart a novel meaning to the claim terms, the words take on the full breadth of the ordinary and customary meanings attributed to them by those of ordinary skill in the art. *See, e.g., Teleflex, Inc. v. Ficosa N. Am. Corp.*, 299 F.3d 1313, 1325 (Fed. Cir. 2002). The ordinary and customary meaning of a claim term may be determined by reviewing a variety of sources. "Some of these sources include the claims themselves; dictionaries and treatises; and the written description, the drawings, and the

prosecution history." *Ferguson Beauregard v. Mega Sys., LLC*, 350 F.3d 1327, 1338 (Fed. Cir. 2003) (internal citations omitted).

Words often have different meanings to different people and in different contexts, accounting for the multiple ordinary meanings found in dictionaries. *Id.* Thus, the meaning of the words used in the claims must be discerned not merely from relevant dictionaries but from the context of the written description as examined through the viewing glass of a person skilled in the art. *Id.* Once the court has construed the claim limitations, the second step in the analysis is to compare the properly construed claims to the accused device. *Cybor Corp.*, 138 F.3d at 1454.

With these general principles in mind, we turn now to RIM's specific challenges to the district court's claim construction determinations.

2. *Disputed Terms*

a. "*Electronic Mail System*"

The term "electronic mail system" appears in all of the asserted claims of the '960, '670, and '172 patents. For simplicity, we will use claim 1 of the '960 patent (from which disputed claim 15 is dependent) as an exemplar. Claim 1 of the '960 patent reads as follows:

> 1. A system for transmitting originated information from one of a plurality of originating processors in an *electronic mail system* to at least one of a plurality of destination processors in the *electronic mail system* comprising:
>
> at least one gateway switch in the *electronic mail system*, one of the at least one gateway switch receiving the originated information and storing the originated information prior to transmission of the

originated information to the at least one of the plurality of destination processors;

a RF information transmission network for transmitting the originated information to at least one RF receiver which transfers the originated information to the at least one of the plurality of destination processors;

at least one interface switch, one of the at least one interface switch connecting at least one of the at least one gateway switch to the RF information transmission network and transmitting the originated information received from the gateway switch to the RF information transmission network; and wherein

the originated information is transmitted to the one interface switch by the one gateway switch in response to an address of the one interface switch added to the originated information at the one of the plurality of originating processors or by the electronic mail system and the originated information is transmitted from the one interface switch to the RF information transmission network with an address of the at least one of the plurality of destination processors to receive the originated information added at the originating processor, or by either the electronic mail system or the one interface switch; and

the electronic mail system transmits other originated information from one of the plurality of originating processors in the electronic mail system to at least one of the plurality of destination processors in the electronic mail system through a wireline without transmission using the RF information transmission network.

'960 patent, col. 49, ll. 2-45 (emphases added).

The district court construed "electronic mail system" as:

> A type of communication system which includes a plurality of processors running electronic mail programming wherein the processors and the electronic mail programming are configured to permit communication by way of electronic mail messages among recognized users of the electronic mail system. The various constituent processors in the electronic mail system typically function as both "originating processors" and "destination processors.["]

Claim Construction Order, slip op. at 4.

RIM argues there are two ordinary meanings of "electronic mail system": a broad definition that encompasses "communicating word processors, PCs, telex, facsimile, videotex, voicemail and radio paging systems (beepers)" and a narrow definition that defines the term in the context of "pull" technology. Asserting that Campana endorsed the pull technology definition during prosecution, RIM argues that "electronic mail system" includes a pull technology requirement. RIM also argues that during prosecution Campana characterized an "electronic mail system" as a wireline system to distinguish over the Zabarsky reference. Thus, RIM argues that "electronic mail system" requires a processor interconnected with other processors to serve the common purpose of providing electronic mail services to end users through pull technology while utilizing wireline, point-to-point connections.

NTP responds that the district court's claim construction of "electronic mail system" is correct and is consistent with the written description. NTP contends that RIM's proposed construction of "electronic mail system" as requiring pull technology contravenes the plain language of the claim and is inconsistent with Campana's disclosure. Further, NTP argues that RIM never raised its pull technology claim construction

at the *Markman* hearing, but in fact argued the opposite. Finally, NTP argues that RIM's requirement that "electronic mail system" be limited to a wireline only system simply cites the prior art description of those terms, and not Campana's use of the term as including wireless connections.

At the outset, we note that NTP correctly points out that RIM did not argue its pull technology construction before the district court, instead arguing that an electronic mail system is limited to a wireline only system. *See* J.A. at 2821-22 (arguing that "electronic mail system" should be construed as "a system of single processors or groups of processors linked by a wire line system, such as the PSTN [("Public Switch Telephone Network")], that provides a system for transmitting information between at least two computers"). We have previously held that presenting proposed claim constructions which alter claim scope for the first time on appeal invokes the doctrine of waiver as to the new claim constructions. *See CCS Fitness, Inc. v. Brunswick Corp.*, 288 F.3d 1359, 1370 (Fed. Cir. 2002) ("[A] waiver may occur if a party raises a new issue on appeal, as by, *e.g.*, presenting a new question of claim scope . . . ." (internal quotation marks omitted)); *Interactive Gift Express*, 256 F.3d at 1346 ("As it relates to claim construction, the doctrine [of waiver] has been applied to preclude a party from adopting a new claim construction position on appeal."). For the first time on appeal, RIM is attempting to add a pull technology limitation to the claim that it did not raise before the district court. Because RIM failed to raise before the district court the argument that the claim should be limited to pull technology, the argument was waived, and we decline to address it on the merits.

The district court's claim construction, which includes various architectures of single processors and groups of processors, is correct. The claims themselves recite that an "electronic mail system" includes various configurations of

originating processors and destination processors that communicate via wireline connections or over an RF transmission network. *See, e.g.*, '960 patent, claim 1. Moreover, the written description recognizes that electronic mail systems may have various processor architectures. *See, e.g., id.* at col. 1, I. 60—col. 2, I. 22; *id.* at col. 2, II. 13-17 ("It should be understood that the illustrated architecture of the single and associated groups of processors is only representative of the state of the art with numerous variations being utilized."); *see also* '670 patent, col. 1, I. 64—col. 2, I. 25; '172 patent, col. 1, I. 65—col. 2, I. 25.

RIM's premise that the "electronic mail system" is limited to a wireline only system is flawed. The plain language of the claim 1 preamble recites that the claimed system transmits originated information "from one of a plurality of originating processors in an electronic mail system to at least one of a plurality of destination processors in the electronic mail system." '960 patent, claim 1. Thus, all of the originating and destination processors are recited in the claims as being contained in the "electronic mail system." This language, however, is not helpful in determining whether the "electronic mail system" may include wireless connections. Accordingly, we turn to the written description.

The written description expressly indicates that the "electronic mail system" in the patent claims may include wireless connections. Campana described prior art "[e]lectronic mail services" as "*basically* a wire line-to-wire line, point-to-point type of communications" system. *Id.* at col. 1, II. 52-54 (emphasis added). The use of the term "basically" suggests that an electronic mail system may include other types of connections, including wireless connections. Moreover, Campana provided an example of one prior art electronic mail system in commercial use, stating "FIG. 1 illustrates a block diagram of a typical electronic mail system in commercial use such as by AT&T Corporation." *Id.* at col.

1, II. 60-62. In this prior art electronic mail system, "groups *of processors . . . may be distributed at locations which are* linked by the [PSTN]. The individual processors may be portable computers with a modem which are linked to the [PSTN] *through wired or RF communications* as indicated by a dotted line." *Id.* at col. 1, I. 66—col. 2, I. 4 (emphasis added). Figure 1 depicts various processors that are all connected to the PSTN via either wired or wireless links. The prior art electronic mail system depicted in Figure 1 is incorporated into Figure 8, which Campana describes as a "block diagram of an electronic mail system in accordance with the present invention."[4] *Id.* at col. 22, II. 60-61. Accordingly, because RIM's argument that the term "electronic mail system" cannot include wireless connections contradicts the text and figures of the written description, it must be rejected.

Our review of the prosecution history reveals no disclaimers or disavowals limiting an "electronic mail system" to a wireline only system. RIM cobbles together statements from the prosecution history that refer to an electronic mail system as having wireline connections. While it is true that Campana often focused on wireline connections in describing electronic mail systems, this focus is understandable given his acknowledgment that electronic mail systems are "basically a wire line-to-wire line, point-to-point type of communications" system. *Id.* at col. 1, II. 52-54. Contrary to RIM's assertions, however, Campana did not accept a narrow definition of "electronic mail system" or disclaim subject

---

[4] We concede that the wireless connections disclosed in the written description appear to involve "pull" access. This has no impact on our analysis, however, for two reasons. First, as we held above, RIM has waived any argument for adding a "pull" limitation. Second, RIM argues that the term "electronic mail system" as used in the patents-in-suit is limited to an all "wireline' system." Thus, any wireless connection, even a pull connection, suffices to defeat RIM's argument.

matter, so as to limit the term "electronic mail system" to a wireline only system. Instead, Campana expressly stated that information sent between the originating and destination processors located in "an electronic mail system" in his invention could be accomplished either through the RF transmission network or a wireline. *See* Amendment Pursuant to 37 C.F.R. § 1.116, at 19-20 (Nov. 7, 1994).

Because we discern no error, we affirm the district court's claim construction of "electronic mail system."

b. "*Gateway Switch*"

The term "gateway switch" appears only in the asserted claims 15, 32, and 34 of the '960 patent. As before the district court, RIM bases its construction of the term on its argument that Campana's "electronic mail system" implemented a "pull" email architecture. RIM contends that "a gateway switch is the mechanism for maintaining the mailboxes needed to implement the pull technology." The district court construed the term differently, as "[a] processor in an electronic mail system which connects other processors in that system and has additional functions for supporting other conventional aspects of the electronic mail system such as receiving, storing, routing, and/or forwarding electronic mail messages." *Claim Construction Order*, slip op. at 6. As we have previously rejected RIM's argument that "pull" email architecture is required, *see* Section II.A.2.a, *supra* (construing "electronic mail system"), we are similarly compelled to reject its suggestion that "gateway switches" must enable this technology. In short, we agree with the district court's claim construction of "gateway switch."

c. "*Originating Processor*" *and* "*Originated Information*"

The parties dispute the construction of the term "originating processor" recited in the claims of the '960, '670, and

'592 patents[5] and "originated information" recited in the claims of the '960, '670, '592, and '451 patents.[6] Claim 1 of the '960 patent, from which claim 15 ultimately depends, again is exemplary and states in pertinent part:

> 1. A system for transmitting *originated information* from one of a plurality of *originating processors* in an electronic mail system to at least one of a plurality of destination processors in the electronic mail system comprising:
>
> at least one gateway switch in the electronic mail system, one of the at least one gateway switch receiving the *originated information* and storing the *originated information* prior to transmission of the originated information to the at least one of the plurality of destination processors;
>
> a RF information transmission network for transmitting the *originated information* to at least one RF receiver which transfers the *originated information* to the at least one of the plurality of destination processors;
>
> at least one interface switch, one of the at least one interface switch connecting at least one of the at least one gateway switch to the RF information trans-

---

[5] This term appears in all of the asserted claims of the '960 and '670 patents, and in parent claim 25 of asserted claim 40 of the '592 patent. A variation, "originating device," is used in claims 40, 150, 278, 287, 653, and 654 of the '592 patent. "Originating device" was separately construed by the district court and that construction has not been appealed.

[6] This term appears in all of the asserted claims of the '960 and '670 patents. A variation, "originating electronic mail," is used in claims 313 and 317 (both depending from independent claim 311) of the '451 patent. A slightly different variation, "originate the electronic mail," is used in claims 40 (depending from independent claim 1), 150, 278, and 287 of the '592 patent. We treat these variations as being of identical scope and meaning to the term "originating information" as discussed in our opinion.

> mission network and transmitting the *originated information* received from the gateway switch to the RF information transmission network; and wherein
>
> the *originated information* is transmitted to the one interface switch by the one gateway switch in response to an address of the one interface switch added to the originated information at the one of the plurality of *originating processors* or by the electronic mail system and the *originated information* is transmitted from the one interface switch to the RF information transmission network with an address of the at least one of the plurality of destination processors to receive the originated information added at the *originating processor*, or by either the electronic mail system or the one interface switch . . . .

'960 patent, col. 49, II. 2-38 (emphases added).

The district court construed "originating processor" as "[a]ny one of the constituent processors in an electronic mail system that prepares data for transmission through the system." *Claim Construction Order*, slip op. at 5. The court construed "originated information" as "[t]he message text of an electronic mail message." *Id.*, slip op. at 6 (noting an exception for the term as used in a patent which is not disputed on appeal).

RIM argues that "originating processor" is correctly construed to mean a processor that initiates or starts the transmission of data through the system, thereby excluding any of the "constituent processors" in the system which subsequently handle the data. It argues that "originated information" is the electronic mail message generated by an "originating processor." RIM argues that its constructions are supported by dictionary definitions of the term "originating" and "originate" which impose an "initiating" requirement on the claims. RIM argues that the '960 patent specification

supports this construction, because it describes an "originating processor" as a processor at which an electronic mail message is composed by a person or inputted by a machine.

NTP responds that this dispute centers on whether an "originating processor" can include gateway switches. Before the district court, NTP urged that "originating processor" be construed to include not only "that processor upon which the sender types the message," but also "all of the constituent processors in an electronic mail system that run electronic mail programming to format and initiate transmission of electronic mail messages." *NTP's Claim Construction Mem.* at 37. NTP argues that RIM's proposed construction is erroneous because it ignores language in the written description specifying that a gateway switch can originate information, and thus would exclude embodiments in the written description. NTP argues that a construction which limited "originating processor" to only processors upon which senders actually type the electronic mail message is not required by RIM's dictionary definitions.

As we shall explain, we conclude that the district court erred in its claim construction of the term "originating processor." The term "originating processor" is properly construed as "a processor in an electronic mail system that initiates the transmission of a message into the system." We do not hold that the "originating processor" is always the processor on which text of the email message was created. As a practical matter this will probably be the case. However, there could be a situation where someone composes an email message on one processor, then perhaps transfers the message from the creating processor to the "originating processor" that initiates the message into the electronic mail system; *e.g.*, by copying onto a disk.

Further, we conclude that the district court did not err in construing "originated information" as "[t]he message text of an electronic mail message." RIM focuses its argument on the

term "originating processor." Indeed, RIM presents no independent argument that "originated information" means anything other than the text of an electronic mail message to be transmitted in the electronic mail system. We see no reason to disturb the district court's claim construction of the term "originating information."

We begin with the language of the claims. *See PSC Computer Prods., Inc. v. Foxconn Int'l*, 355 F.3d 1353, 1359 (Fed. Cir. 2004). Claim 1 of the '960 patent recites:

> 1. A system for transmitting originated information from one of a plurality of *originating processors* in an electronic mail system to at least one of a plurality of destination processors in the electronic mail system comprising: . . .
>
> at least one *gateway switch* in the electronic mail system . . .
>
> at least one *interface switch* . . . .

'960 patent, col. 49, II. 2-19 (emphases added). Construing "originating processor" to mean the processor that is the origin of the email message text comports with the goal of the system—to move "originated information" from the processor where the email message text originated to the processor(s) where it is intended to be received. Moreover, that construction is consistent with the overall context of the claim language. Claim 1 of the '960 patent contains a number of limitations relating to devices that process data, including, *inter alia*: "a plurality of originating processors," "at least one gateway switch," and "at least one interface switch." *See* '960 patent, col. 49, II. 2-25. Nothing in the claim suggests that "a plurality of originating processors" defines a genus which includes the claimed "gateway switch" or "interface switch" as a species. Instead, these limitations are used as three separate, independent limitations to describe the various constituent components in an electronic mail system that

prepares and transmits electronic mail messages. There is no antecedent basis in the claim language to signify that "at least one gateway switch" conceptually is contained within "a plurality of originating processors." *See Innova/Pure Water, Inc. v. Safari Water Filtration Sys.*, 381 F.3d 1111, 1119 (Fed. Cir. 2004) ("While not an absolute rule, all claim terms are presumed to have meaning in a claim.").

In addition, as claim 1 above recites, the "originated information" *originates from* the "originating processor." '960 patent, col. 49, II. 2-3. Thus, the plain language of the claims indicates that "originating processor" is not referring to *every* component that initiates data. Rather the "originating processor" is, more precisely, the processor that is the source of the "originated information"—the text of the electronic mail message.

Also, the claim language shows how a gateway switch is not included within the larger term "originating processor," but is rather a separate component from an "originating processor." That is because the "originated information" is *transmitted from* an "originating processor" *to* a gateway switch. Indeed, the "originating processor" and the gateway switch initiate different types of data. "Originated information"—the electronic mail message—originates with the "originating processor." By contrast, the gateway switch is never described as being the origin of the "originated information." Rather, it merely "receives" the "originated information" from the "originating processor." *See, e.g., id.* at col. 49, II. 8-9; '611 patent, col. 19, II. 60-63, col. 47, II. 52-54. A gateway switch may sometimes *add* or initiate address information such as an address of an interface switch to the "originated information" that it receives from the "originating processor." *See, e.g.*, '960 patent, col. 49, II. 26-37. However, a gateway switch is not the origin of the "originated information" itself. According to the language of the claims, gateway switches are components that receive "originated

information" from an "originating processor" and then sometimes append additional data to the information received from an "originating processor."

The written description is consistent with this interpretation and reveals that two different types of information are "originated" and transmitted within the claimed invention. First, there is "originated information." As the district court correctly held, "originated information" refers to the text of the electronic mail message being transmitted. One could analogize this to the contents of a physical letter one mails to a recipient via the postal system. Second, in the claimed invention there is also what one might call address information or destination information. This refers to an identifier of the intermediate components and/or the destination processor(s) to which the electronic message text should be delivered. *See, e.g.*, '960 patent, col. 24, II. 31-46 (discussing "address of the interface switch" and "identification number of the RF receiver"). Address information originated from a gateway switch or interface switch is never described as itself the "originated information" or the "other originated information." Rather, it is described as separate information which is added to the "originated information" which came from an originating processor. *See, e.g., id.* at col. 21, II. 54-56 (text notes that the address of the interface switch can be added "to the information originating from the originating processor"); *id.* at col. 22, II. 24-26 (text notes that the destination address can be "added to the information from the originating processor"); *id.* at col. 26, II. 39-41 (text notes adding information to the "information from the originating processor"); *id.* at col. 49, II. 27-29 (claims describe "adding" address information to "originated information"); *id.* at col. 50, II. 7-10 (text describes movement of both "originated information" and identification number in the RF transmission network); *id.* at col. 54, II. 49-51 (text notes identification number "added to the originated information"). This address information can be analogized to the address

contained on the outside of an envelope that one mails with the post office, as well as information added by the post office, such as a barcode, which may direct the envelope through the myriad routes in the postal system. Thus, just as one physically mails a letter with two types of information—the text of the actual letter itself within the envelope and the address information on the outside of the envelope—the claimed invention "originates" two types of information.

From the written description, one skilled in the art would understand an "originating processor" to refer to a processor where "originated information"—the electronic mail message text—is introduced into the electronic mail system. In some cases, this "originating processor" is the point at which some or all of the second type of information, the address information, is added. In other cases, after the "originating processor" sends the "originated information" to a gateway switch, the gateway switch then "originates" and appends additional address information onto the "originated information." A user typing at the originating processor does need to provide at least some address destination information—for example, that the email message is intended for "John Doe." *See, e.g., id.* at col. 24, II. 29-30. However, the user need not know precisely through which switches the email message needs to travel within the system to get to John Doe (or even whether John Doe's destination processor is a wireless or wireline processor). In the "most user friendly form" of the invention, the user need only indicate the intended recipient, and the proper address information can be added to the text of the electronic mail message either by the originating processor itself or by later components in the electronic mail system, such as gateway switches and/or interface switches. *See, e.g., id.* at col. 24, II. 25-30. This is analogous to how, in the postal system, one need only indicate a destination address, and the postal system sometimes adds barcode information to envelopes which help indicate through which

routes within the postal network the letter needs to travel to get to the proper destination.

The term "originating processor" does not encompass every constituent processor that initiates data into the system. "Originating processor" refers more precisely to the processor that initiates the electronic message text into the system. It is correct to conclude that other components besides an "originating processor" "originate" information. For example, components such as the gateway switches originate some of the address information to get the electronic message from the "originating processor" to the proper destination processor(s). However, there is nothing in the written description to suggest that one skilled in the art would blur the distinction between a component such as a gateway switch that sometimes "originates" address information, and an "originating processor," which is a separately labeled and separately claimed component than a gateway switch or an interface switch.

Referring specifically to the written description, Figure 1 of the '960 patent discloses a prior art electronic mail system in which the "originating processor" is depicted as the processor which originates the email message, which is separate and distinct from other constituent components such as gateway switches:

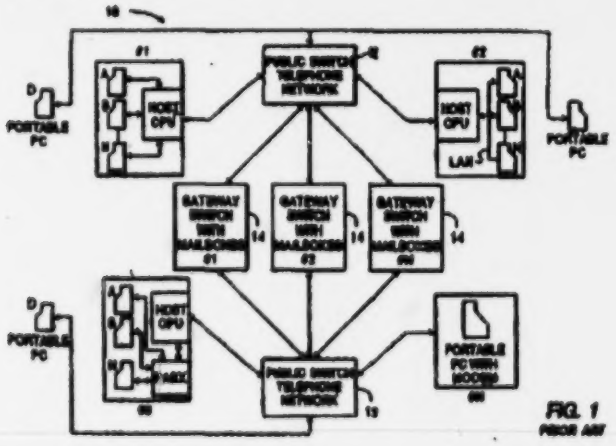


FIG. 1
PRIOR ART

The specification states that Figure 1 shows that "[c]ommunications between an *originating processor A-N, which may be any of the processors within the groups of associated processors #1-#3 or processor #N* and a destination processor A-N are completed through the public switch telephone network 12 *to one or more gateway switches* . . . 14." '960 patent, col. 2, II. 23-28 (emphasis added). This passage explains that the electronic mail message originates from the "originating processor" and then moves "to" an associated gateway switch. Thus, the "originating processor" is not a generic term referring to all data-generating constituent processors in a system, but more precisely refers to a processor that is separate from the gateway switches. Moreover, the written description repeatedly refers to the "originating processor" where the electronic mail message text is generated. *See, e.g., id.* at col. 3, II. 12-21 ("Finally, the message or message text must be entered which is the information that is inputted by the person or machine *which is originating the message at the originating processor A-N.* Upon completion of the message text, the user . . . enters a series of commands or keystrokes on the originating processor to transmit the message to the gateway switch . . . ." (emphasis added)); *id.* at col. 19, II. 29-30 (explaining how, in the claimed invention the "originating processor" might be associated with "an icon driven display" and a computer "mouse" for the user). There is no corresponding discussion of the electronic mail message text being generated with, or the use of "an icon driven display" with, a gateway or interface switch.

Components other than an "originating processor" can initiate data. The written description describes how, for example, "the identification of the RF receiver 119 and the address of the interface switch may be implemented by the originating processor A-N of one of the computing systems #1-#N, a gateway switch 14 or an interface switch 304 . . . ." *Id.* at col. 24, II. 42-46. This shows that three different

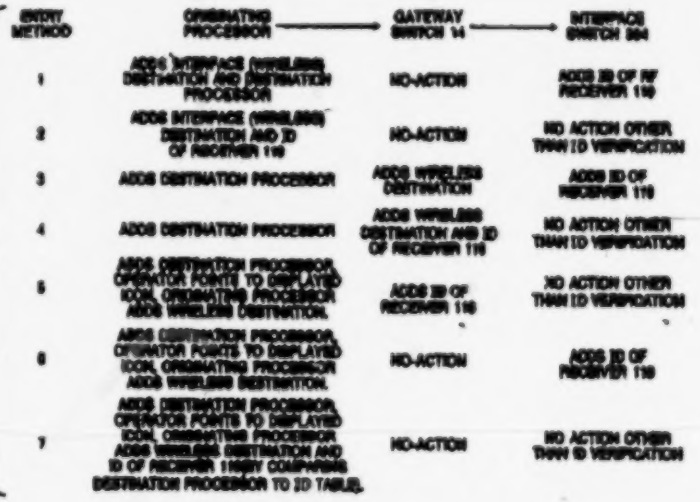
components can initiate address information: (1) an "originating processor" A-N; (2) a gateway switch 14; or (3) an interface switch 304. However, simply because the "originating processor" is but one of three separate, differently named and labeled components that can serve as the initiator of address information, does not mean that the term "originating processor" covers all of these different components. If "originating processor" referred to all three components, then the specification would simply read "the identification of the RF receiver 119 may be implemented by an originating processor."

The specification makes clear that it may take several processors in Campana's claimed invention to successfully initiate an electronic mail message. As Campana teaches in his written description, to initiate an electronic mail message, the message text must be entered, then the addresses of various interface switches and the receiving destination processor must be entered and appended to the message. *See id.* at col. 19, II. 26-39. The written description also teaches that entering the addresses of the interface switches, RF receivers, and destination processors may be accomplished by various components, including the originating processor or a gateway switch. *See id.* at col. 21, II. 54-56, 65-66 (noting that the address of the receiving interface switch may be added by the originating processor or a gateway switch); *id.* at col. 22, II. 10-15, 24-26 (noting that the address of the destination processor may be added by "the originating processor by an operator or a machine using the originating processor" or the gateway switch). However, the mere fact that a constituent component may tack on destination address information to the "originated information" coming from the "originating processor" does not turn that constituent processor into an "originating processor." Gateway switches are separate components from the "originating processor" that can also add address information after receiving the message text from the "originating processor." This is why Campana

asserts that the invention is "user friendly" because only a "minimum amount of information . . . must be provided to initiate the transmission of electronic mail *from an originating processor* to at least one destination processor." *Id.* at col. 19, II. 20-25.

The written description further describes how either the "originating processor," "gateway switch," or "interface switch" can be used to add information needed to transmit the electronic mail message, such as addressing data. *See id.* at col. 22, II. 24-26 ("The address of the destination processor may also be added to the information originated by the originating processor by the gateway switch."). Figure 11 of the '960 patent visually demonstrates various steps by which the "originating processor," "gateway switch 14," and "interface switch 304" could operate together to add address information to the text of the electronic mail message, *i.e.*, the "originated information":

FIG. 11



See '960 patent, col. 28, II. 10-13 ("Fig[ure] 11 summarizes electronic mail message entry methods for messages (*information*) *originating from originating processors* within an electronic mail system." (emphasis added)). The arrows

show the flow of the "originated information" from the "originating processor," the first processor in the system where the information is originated, to a gateway switch 14, and then to an interface switch 304. Campana describes the flow of data in the various entry methods. For example, in "entry method 1" the "originating processor" itself adds the appropriate destination address data. *Id.* at col. 28, II. 13-17. When the "originated information" then reaches a gateway switch 14, the gateway switch takes no action, because all of the address data necessary at that point has already been added by the "originating processor." By contrast, in "entry method 3," a gateway switch, after receiving the "originated information" from the "originating processor," adds the wireless destination address. *Id.* at col. 28, II. 24-29. Although under the various methods enumerated in Figure 11 either the "originating processor," "gateway switch," or "interface switch" may add address information to the electronic mail message, the gateway and interface switches do not initiate the message text of an electronic mail message and, thus, are not "originating processors."

This shows how the "originating processor" merely refers to the first (initiating) processor of the "originated information." A gateway switch is *not* an "originating processor." While the gateway switch serves as an initiator of address information, as in entry methods 3, 4, and 5, a gateway switch only does this after it gets the "originated information" from the "originating processor." "Originating processor" is not an umbrella term referring to all of the processors that add data into the system, but rather would be understood to one skilled in the art to be the first processor, or the initial source of the "originated information" or email message text. All three different components in Figure 11, an "originating processor," a "gateway switch," and an "interface switch," are initiating address information. "Originating processor" refers to one of these components—the first processor, and not all three. Thus, the "originating processor" is the sole processor

that initiates the transmission of the electronic mail message text into the electronic mail system and is separate from the gateway or interface switches.

d. "*Dual Pathways*"

RIM argues that claim 8 of the '670 patent and claims 15, 32, and 34 of the '960 patent, when properly construed, require "'dual pathways' . . . whereby at least one of the destination processors in the system must be reachable through two independent pathways, one through the email system, and the other through the RF system." Appellant's Br. at 20.

We begin our analysis with the words of the claims.[7] *Vitronics*, 90 F.3d at 1582. We refer again to claim 1 of the '960 patent, from which claim 15 ultimately depends, which is illustrative and states in pertinent part:

> 1. A system for transmitting originated information from one of a plurality of originating processors in an electronic mail system *to at least one of a plurality of destination processors in the electronic mail system* comprising: . . .

---

[7] The district court addressed the "dual pathways" limitation on at least two occasions. On the first occasion, the district court rejected the "dual pathways" limitation, describing RIM's argument as an "attempt[] to read a limitation into the claim that is not supported by the plain meaning of the claim." On the second occasion, the court discussed the parties arguments, but declined to resolve the issue after finding a "genuine dispute of material fact." *Non-Infringement Order*, slip op. at 4-11. The district court erred in refusing on the second occasion to resolve a claim construction issue due to a factual dispute. Although the district court is not required to adhere to a specific timeline in making its claim construction rulings, "in a case tried to a jury, the court has the power and obligation to construe as a matter of law the meaning of language used in the patent claim" and "should not give such task to the jury as a factual matter." *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 978-79 (Fed. Cir. 1995) (en banc).

> a RF information transmission network for transmitting the originated information to at least one RF receiver which transfers the originated information *to the at least one of the plurality of destination processors*; . . .
>
> the electronic mail system transmits other originated information from one of the plurality of originating processors in the electronic mail system *to at least one of the plurality of destination processors* in the electronic mail system through a wireline without transmission using the RF information transmission network.

'960 patent, col. 49, ll. 2-45 (emphases added).

In considering RIM's proposed "dual pathways" limitation, we begin by noting that the preamble of claim 1 of the '960 patent limits the claim. Under our precedent, a preamble generally limits the claimed invention if it "recites essential structure or steps, or if it is necessary to give life, meaning, and vitality to the claim." *Catalina Mktg. Int'l, Inc. v. Coolsavings.com, Inc.*, 289 F.3d 801, 808 (Fed. Cir. 2002) (internal quotation marks omitted). Thus, if the preamble helps to determine the scope of the patent claim, then it is construed as part of the claimed invention. *Bell Communications Research, Inc. v. Vitalink Communications Corp.*, 55 F.3d 615, 620 (Fed. Cir. 1995) ("[W]hen the claim drafter chooses to use *both* the preamble and the body to define the subject matter of the claimed invention, the invention so defined, and not some other, is the one the patent protects."). "When limitations in the body of the claim rely upon and derive antecedent basis from the preamble, then the preamble may act as a necessary component of the claimed invention." *Eaton Corp. v. Rockwell Int'l Corp.*, 323 F.3d 1332, 1339 (Fed. Cir. 2003); *see also C.R. Bard, Inc. v. M3 Sys., Inc.*, 157 F.3d 1340, 1350 (Fed. Cir. 1998) ("[A] preamble usually does not limit the scope of the claim unless the preamble provides antecedents for ensuing claim terms and limits the claim accordingly.").

Because these limitations of claim 1 of the '960 patent derive their antecedent basis from the claim 1 preamble and are necessary to provide context for the claim limitations, the use of these limitations in the preamble limits the claim. *Eaton*, 323 F.3d at 1339; *Catalina Mktg.*, 289 F.3d at 808. The limitations of claim 1 "at least one of a plurality of destination processors" and "electronic mail system" are first recited in the preamble. '960 patent, col. 49, II. 2-45 (claim 1). The antecedent basis of the disputed claim limitation "to *the* at least one of the plurality of destination processors," *id.* at col. 49, II. 17-18 (emphasis added) (claim 1), is the destination processor recited in the preamble.

RIM's assertion that claim 1 of the '960 patent requires that "[t]he same destination processor must therefore simultaneously be 'in an electronic mail system' and reachable through an 'RF information transmission network," is well-supported. RIM correctly argues that the claim language "a RF information transmission network for transmitting . . . originated information to *the* at least one of the plurality of destination processors," which employs the definite article "the," refers to the antecedent "at least one of a plurality of destination processors in the electronic mail system." '960 patent, claim 1 (emphasis added). RIM also correctly argues that, based on this antecedent relationship, a destination processor accessible by RF transmission must also be "in an electronic mail system." *See generally Warner-Lambert Co. v. Apotex Corp.*, 316 F.3d 1348, 1356 (Fed. Cir. 2003) ("[I]t is a rule of law well established that the definite article 'the' particularizes the subject which it precedes. It is a word of limitation as opposed to the indefinite or generalizing force of 'a' or 'an.)" (internal quotation omitted)).

However, the conclusions RIM seeks to advance do not follow from its assertion. One conclusion RIM advances, at least at one point in its briefing, is that this "dual pathways" assertion suffices to demonstrate non-infringement, arguing

that "[t]he Blackberry® system avoids this requirement since the Blackberry® handhelds are only reachable through an RF pathway." That sentence, which is the extent of RIM's analysis on this point, is simply insufficient to support a non-infringement determination. The argument relies on the implied premise that the BlackBerry handhelds are not in the electronic mail system. As defined by the district court, and approved above, an "electronic mail system" includes "a plurality of processors running electronic mail programming wherein the processors and the electronic mail programming are configured to permit communication by way of electronic mail messages among recognized users of the electronic mail system." RIM has cited nothing in the record to suggest that BlackBerry handhelds do not contain "processors running electronic mail programming" or are not "configured to permit communication by way of electronic mail messages among recognized users of the electronic mail system."[8] Accordingly, RIM's argument that the claim limitation requires that at least one destination processor must be in the electronic mail system and accessible by the RF information transmission network is not, by itself, sufficient to demonstrate non-infringement.

Another conclusion RIM attempts to draw from its assertion that at least one destination processor must be in the electronic mail system and accessible by the RF information transmission network is that there must be a "dual pathway" to the same destination processor. The term "dual pathways" is not a claim term, but the notion of dual communication paths was argued by Campana during the prosecution of the

---

[8] As explained in more detail below, the RF receiver and the destination processor need not be physically separate and distinct. Similarly, it is of no importance that BlackBerry handhelds, which contain an RF receiver and a destination processor in a single unit, have access to both the RF information transmission network and the electronic mail system from the same device.

'960 patent and incorporated into the structure of the claims of the patent. In distinguishing his invention over a prior art reference, Zabarsky, Campana argued that Zabarsky "would *not* meet the claims because of the recited dual communication paths involving telephonic and wireless communications which use the claimed interface switch between the electronic mail system and the RF information transmission system." The dual pathways distinction was mentioned during several exchanges between Campana and the examiner and was included in the recited structure of the claims. The first pathway is a pathway using both wireless connections in the RF information transmission network and either wireline or wireless connections in the email system ("wireline-and-wireless pathway"). This pathway is recited in the second paragraph after the preamble in claim 1. '960 patent, col. 49, ll. 13-17 (reciting transmission through an "RF information transmission network"). The second pathway is a pathway using only wireline connections in the email system ("wireline-only pathway"). This pathway is recited in the final paragraph of claim 1, which was added explicitly to incorporate a dual pathways limitation into the claims. *See id.* at col. 49, ll. 41-45 (reciting the transmission of information "to at least one of the plurality of destination processors in the electronic mail system through a wireline without transmission using the RF information transmission network").

RIM's correct assertion that at least one destination processor must be in the electronic mail system and accessible by the RF information transmission network does not, by itself, yield the conclusion that at least one destination processor must be accessible by dual pathways, that is, by a wireline-only pathway as well as a wireline-and-wireless pathway. RIM concedes that the final paragraph of claim 1 does not establish that a single destination processor must be accessible by dual pathways.

RIM does argue, however, that during the prosecution of the '960 patent, Campana "urged a narrow definition of 'electronic mail system' to distinguish over the wireless messaging system of Zabarsky." Thus, RIM ties its proposed "narrow definition" of "electronic mail system" to its dual pathways claim construction argument. RIM makes the following argument. First, at least one destination processor must be in the email system and accessible by the wireline-and-wireless pathway. Second, if a destination processor is in the email system, then it is accessible by a wireline-only pathway. Therefore, at least one destination processor must be accessible by dual pathways. This argument fails, however, because as we have concluded in section II.A.2.a, *supra*, the term "electronic mail system" as used in the patent is not limited to wireline-only pathways.

RIM also points to other statements Campana made in distinguishing the claimed invention over the Zabarsky reference. RIM argues that Campana's repeated reliance on a dual pathways requirement to distinguish over Zabarsky acted as a disclaimer of any claim interpretation that avoids a dual pathways requirement. NTP responds that there was no disavowal or disclaimer limiting Campana's invention to a system having dual pathways to the same destination processor. NTP argues that, instead, Campana simply distinguished Zabarsky as a purely wireless system, and noted that Zabarsky did not teach the claimed combination of a wireless system and an electronic mail system. Further, NTP contends that the examiner clearly stated his understanding that no "dual pathways" requirement exists.

RIM emphasizes the following passage from the prosecution history:

> [T]he claims as described above . . . define the combination of an electronic mail system and an RF information transmission system which transmits originated information from an originating processor to at least one

> destination processor using *both an electronic mail system* including a telephone network and *an RF information transmission network* which transmits originated information to at least one receiver which transfers the information to at least one destination processor. Thus, it is seen that the Examiner has *not* provided a teaching in the prior art or reasoning justifying a conclusion of obviousness with regard to the claimed system and method of operation of the electronic mail system and the RF information transmission system which define *dual* transmission paths of originated information with one of the paths being in the electronic mail system using a telephone network and the other of the paths being from the electronic mail system through an interface switch and through the RF information transmission system to the at least one destination processor.

Second Supplemental Amendment, May 13, 1994, at 23. RIM argues that Campana's statement that the "claimed system . . . define[s] *dual* transmission paths," *id.*, serves to disclaim systems where the same destination processor cannot be reached through both wireline and RF transmissions. This characterization of the prosecution history is in error. Campana made these statements in the prosecution history to demonstrate how its combination of a wireline system and RF transmission system is distinguishable from the Zabarsky messaging system, which did not have the capacity to send a message using only wireline connections. *Id.* at 21-23. Although Campana clearly contemplated that various destination processors could be accessed through either a wireline system or the RF transmission network (or both), Campana did not limit his invention in these prosecution history passages to require that the same destination processor be accessible through both the wireline system and the RF transmission system. *See Gemstar-TV Guide Int'l Inc. v. Int'l Trade Comm'n*, 383 F.3d 1352, 1364 (Fed. Cir. 2004) (noting

that "the presumption of ordinary meaning will be 'rebutted if the inventor has disavowed or disclaimed scope of coverage, by using words or expressions of manifest exclusion or restriction, representing a clear disavowal of claim scope.'" (quoting *ACTV, Inc. v. Walt Disney Co.*, 346 F.3d 1082, 1091 (Fed. Cir. 2003))). The required words or expressions of manifest exclusion or restriction representing a clear disavowal of claim scope are not present in these passages from the prosecution history.

As NTP correctly points out, the examiner's "Reasons for Allowance" confirm that no requirement of "dual" transmission pathways to the same destination processor was required for the claims to be patentable:

> The prior art of record fails to teach or fairly suggest a system for transmitting originated information from an originating processor in an electronic mail system to a destination processor in the electronic mail system comprising an RF information transmission network . . . with an address of the destination processor added at the originating processor [and] the electronic mail system transmits other originated information from an originating processor to a destination processor in the electronic mail system through a wireline without transmission using the RF information transmission network.

Notice of Allowability, Feb. 7, 1995, at 2. Although information is transmitted to various destination processors via RF or wireline transmission systems, there is no requirement that there must be "dual" transmission pathways *to the same destination processor*. Thus, we conclude that the asserted claims of the '960 and '670 patents do not include the "dual pathways" limitation contended by RIM.

e. *"Separate and Distinct" RF Receiver and Destination Processor*

In its summary judgment motion, RIM argued to the district court that certain of the asserted claims required that the RF receiver be distinct and separable from the destination processor. This "separate and distinct" limitation is, in RIM's view, applicable to all claims of the '960, '670, and '592 patents, and to claims 248, 309, 313, and 317 of the '451 patent. The court declined to impose this limitation, stating that "while it appears that Campana envisioned a portable and mobile RF receiver that is physically separate from the bulkier destination processor (*i.e.*, laptop or desktop computer) the claims do not impose this requirement." *Non-Infringement Order*, slip op. at 10-11. We agree with the district court.

As RIM correctly notes, the specification does indicate that Campana contemplated a separate housing as a way of achieving increased mobility and portability. For example, the specification suggests that an advantage of the invention is that the RF receiver may be carried with the user, while the location of the destination processor remains fixed. '960 patent, col. 18, ll. 60-66. But the specification also states that "a preferred embodiment of the invention is with portable destination processors." *Id.* at col. 18, ll. 57-58.

RIM focuses its argument as to this alleged claim limitation on two claim terms, "transfer," which can be found in the asserted claims of the '960 and '670 patents, and "connected to" or "coupled to," which can be found in claims 150, 278, and 287 of the '592 patent and claims 248, 309, 313, and 317 of the '451 patent. Repeated statements in the specification echo these claim terms. *See, e.g., id.* at col. 18, ll. 50-53 ("The RF receiver automatically transfer [sic] the information to the destination processor *upon connection* of the RF receiver to the destination processor." (emphasis added)); *id.* at col. 20, l. 66—col. 21, l. 1 ("The RF receiver

may be detached from the destination processor during reception of the information with a memory of the RF receiver storing the information." (emphasis added)).

Our case law requires a textual "hook" in the claim language for a limitation of this nature to be imposed. Generally, "a party wishing to use statements in the written description to confine or otherwise affect a patent's scope must, at the very least, point to a term or terms in the claim with which to draw in those statements. Without any claim term that is susceptible of clarification by the written description, there is no legitimate way to narrow the property right." *Renishaw PLC v. Marposs Societa' per Azioni*, 158 F.3d 1243, 1248 (Fed. Cir. 1998). In other words, "there must be a textual reference in the actual language of the claim with which to associate a proffered claim construction." *Johnson Worldwide Assocs., Inc. v. Zebco Corp.*, 175 F.3d 985, 990 (Fed. Cir. 1999); *see also, e.g., McCarty v. Lehigh Valley R.R. Co*, 160 U.S. 110, 116 (1895) ("[I]f we once begin to include elements not mentioned in the claim in order to limit such claim . . . we should never know where to stop.").

In an effort to justify the limitation it urges, RIM first points to the claim term, "transfer." In the '960 patent, for example, claim 1 requires that the "RF receiver . . . transfer[] the originated information to the at least one of the plurality of destination processors." '960 patent, col. 49, II. 15-18. According to RIM, the fact that information must be "transferred," *i.e.*, moved from one place to another, implies that the RF receiver and destination processor are separately housed. This reading stretches the meaning of "transfer." As NTP points out, a "transfer" of information can equally occur between two entities that are physically housed together. The suggestion that information will be "transferred" between these two entities does not require the physical separation of those entities.

RIM also cites the claim terms "connected to" and "coupled to" used in the '592 patent. In that patent, independent claim 150 (from which asserted claims 278 and 287 depend) describes

> a wireless receiver *connected to* the one mobile processor with the one mobile processor receiving the information contained in the electronic mail after the identification of the wireless device is detected by the wireless receiver in a broadcast by the wireless system.

'592 patent, col. 41, ll. 18-22 (emphasis added). Independent claim 301 of the '592 patent, from which asserted claims 309, 313, and 317 depend, recites similar requirements:

> 301. A communication system comprising:
>
> mobile devices, each mobile device comprising a wireless device *connected to* a mobile processor which executes electronic mail programming to function as a destination of electronic mail, the wireless device after receiving a broadcast of information contained in the electronic mail and an identification of the wireless device transmits the information to the *connected* mobile processor . . . .

Id. at col. 53, ll. 32-40. *Webster's Third New International Dictionary* 480 (1993) defines "connected" as "to join, fasten, or link together." Although "connected" more strongly connotes a physical link between the mobile processor and the wireless receiver than does the term "transfer," it still does not require that the mobile processor and wireless receiver be physically disposed in separate housings. A "connection" can occur between these two devices regardless of whether they are housed separately or together. Indeed, the two components could be connected, joined, or linked together by wires or other electrical conductors and still be located in the same housing or even on the same circuit board. Because the claim language does not support RIM's

interpretation, we agree with the district court and decline to impose this additional restriction on the claims.

f. "*Additional Processor Outside an Electronic Mail System*"

RIM challenges the district court's construction of the term "additional processor outside an electronic mail system." As NTP correctly points out, this term is not present in any of the claims currently before us on appeal. RIM's principal justification for this court to construe the "additional processor" limitation is simply that the district court below construed the claim term. That is not a sufficient basis for this court to construe this claim term. Terms not used in claims in controversy on appeal need not be construed. *See Vivid Techs., Inc. v. Am Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999) ("[O]nly those [claim] terms need be construed that are in controversy, and only to the extent necessary to resolve the controversy."); *U.S. Surgical Corp. v. Ethicon, Inc.*, 103 F.3d 1554, 1568 (Fed. Cir. 1997) ("Claim construction is a matter of resolution of disputed meanings and technical scope, to clarify and when necessary to explain what the patentee covered by the claims, for use in the determination of infringement. It is not an obligatory exercise in redundancy."). We therefore decline to reach the question of whether the district court's construction of "additional processor outside of an electronic mail system" was correct.

B. *Infringement*

RIM makes three arguments challenging the district court's judgment of infringement. First, RIM argues that the district court erred in its claim constructions, and under the correct claim constructions RIM's products do not infringe. Second, RIM contends that because the BlackBerry Relay is located in Canada, as a matter of law RIM cannot be held liable for infringement under 35 U.S.C. § 271. Finally, RIM argues that the jury verdict of infringement lacked substantial evidence,

and thus the district court should have granted RIM's motion for JMOL of non-infringement. We will discuss each argument in turn.

1. *Claim Construction*

A determination of infringement is a two-step process. The court must first correctly construe the asserted claims, and then compare the properly construed claims to the allegedly infringing devices, systems, or methods. *Ethicon Endo-Surgery, Inc. v. U.S. Surgical Corp.*, 149 F.3d 1309, 1315 (Fed. Cir. 1998). We have determined that the district court's jury instructions contained an erroneous claim construction of the term "originating processor." Thus, we are presented with the question of whether the jury verdict of infringement must be set aside as to the affected claims.

A jury verdict will be set aside, based on erroneous jury instructions, if the party seeking to set aside the verdict can establish that "those instructions were legally erroneous," and that "the errors had prejudicial effect." *Advanced Display Sys., Inc. v. Kent State Univ.*, 212 F.3d 1272, 1281 (Fed. Cir. 2000); *see also Ecolab Inc. v. Paraclipse, Inc.*, 285 F.3d 1362, 1373 (Fed. Cir. 2002). More specifically, "a party seeking to alter a judgment based on erroneous jury instructions must establish that (1) it made a proper and timely objection to the jury instructions, (2) those instructions were legally erroneous, (3) the errors had prejudicial effect, and (4) it requested alternative instructions that would have remedied the error." *Advanced Display*, 212 F.3d at 1281 (internal citations omitted). "Prejudicial legal error exists when it 'appears to the court [that the error is] inconsistent with substantial justice.)" *Id.* at 1283 (quoting Fed. R. Civ. P. 61). However, when the error in a jury instruction "could not have changed the result, the erroneous instruction is harmless." *Environ Prods., Inc. v. Furon Co.*, 215 F.3d 1261, 1266-67 (Fed. Cir. 2000) (citing 11 Charles Alan Wright & Arthur R. Miller, *Federal Practice and Procedure* § 2886 (2d ed. 1995)

("Errors in instructions are routinely ignored if . . . the error could not have changed the result.")); *Weinar v. Rollform Inc.*, 744 F.2d 797, 808 (Fed. Cir. 1984) ("[A] reversal . . . is not available to an appellant who merely establishes error in instructions . . . . Where the procedural error was 'harmless,' *i.e.*, where the evidence in support of the verdict was so overwhelming that the same verdict would necessarily be reached absent the error, or the error was cured by an instruction, a new trial would be mere waste and affirmance of the judgment is required.").

At trial, RIM made a timely objection to the jury instructions pertaining to the district court's claim constructions, including its erroneous construction of the term "originating processor." *See* J.A. at 14102-03. RIM also requested alternative instructions that would have remedied the error, including specifically an alternative jury instruction embodying its proposed claim construction of the term "originating processor." *See* J.A. at 8368-73 (instruction 16). But to set aside the jury verdict, RIM must also establish that the error was prejudicial. *Advanced Display*, 212 F.3d at 1281.

Prior to trial, RIM proffered a declaration by its expert Dr. Reed arguing that the accused BlackBerry products and services do not infringe under RIM's proposed claim constructions as contained in RIM's proposed jury instructions. *See* J.A. at 10115-71 (Reed declaration). This proffer addressed, *inter alia*, infringement as it relates to the "originating processor" limitation. However, the district court did not admit the Reed declaration into evidence or address the merits of the contentions in the Reed declaration. While RIM asserts that the court excluded all testimony arguing claim limitations different than or inconsistent with the court's claim construction, the court's actual ruling appears to have been directed only to the "separate and distinct physical housing argument [and] the RF indicator argument." *See* J.A. at 12047-48. At the trial, testimony was presented with

respect to infringement of the claims as construed by the district court. However, the extent to which the trial testimony and the exhibits actually admitted into evidence might relate to the issue of infringement under the correct construction of the term "originating processor" is unclear on the record before us. What is clear is that in the briefing of this appeal, the parties have not fully vetted the evidentiary record as it might relate to the correct construction of the term "originating processor." Because the district court has a more direct understanding of the full record of trial proceedings in this case and is, thus, in a better position to make an informed determination of prejudicial error relating to the erroneous claim construction of the term "originating processor," we decline to make that determination in the first instance on appeal and, instead, remand the same to the district court for proper resolution.

On remand, if RIM can establish that the erroneous claim construction prejudiced the jury's verdict as to the affected claims, the district court will have to set aside the verdict of infringement as to those claims. The affected claims are those that include the term "originating processor;" namely, claims 15, 32, and 34 of the '960 patent; claim 8 of the '670 patent; and claim 40 of the '592 patent (through its parent claim 25).

2. *Section 271*

Section 271(a) of title 35 sets forth the requirements for a claim of direct infringement of a patent. It provides:

> Except as otherwise provided in this title, whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent.

35 U.S.C. § 271(a) (2000). The territorial reach of a patent right is limited, so that section 271(a) is only actionable against patent infringement that occurs within the United

States. *See Pellegrini v. Analog Devices, Inc.*, 375 F.3d 1113, 1117 (Fed. Cir. 2004) ("[As] the U.S. Supreme Court explained nearly 150 years ago in *Brown v. Duchesne*, 60 U.S. (19 How.) 183, 15 L. Ed. 595 (1857), . . . the U.S. patent laws 'do not, and were not intended to, operate beyond the limits of the United States.'"); *Rotec Indus., Inc. v. Mitsubishi Corp.*, 215 F.3d 1246, 1251 (Fed. Cir. 2000) (stating that "extra-territorial activities . . . are irrelevant to the case before us, because 'the right conferred by a patent under our law is confined to the United States and its territories, and infringement of this right cannot be predicated on acts *wholly* done in a foreign country'" (emphasis added) (quoting *Dowagiac Mfg. Co. v. Minn. Moline Plow Co.*, 235 U.S. 641, 650 (1915))).

Ordinarily, section 271(a) can be applied without difficulty. In cases where the accused infringer's conduct does not precisely map on to the structure of section 271(a), a patentee may resort to other sections of 35 U.S.C. § 271 to make his or her case. The various subsections of section 271, (a) through (g), address different infringement scenarios. For example, subsection (f) speaks to the manufacture of substantial portions of a patented invention within the United States for export, assembly, and use abroad. Subsection (g), on the other hand, addresses the foreign use of a patented process to manufacture a product that is subsequently imported into the United States. These actions equally constitute direct infringement of a patent under the statute. In this case, NTP asserts that if subsection (a) does not apply, infringement nonetheless has occurred under either subsection (f) or (g). Because we conclude that subsection (a) is the appropriate vehicle for NTP's infringement suit, we need not and do not consider the parties' respective arguments under those alternative subsections.

This case presents an added degree of complexity, however, in that: (1) the "patented invention" is not one single device, but rather a system comprising multiple distinct

components or a method with multiple distinct steps; and (2) the nature of those components permits their function and use to be separated from their physical location.

In the district court, RIM moved for summary judgment of non-infringement, arguing that it could not be held liable as a direct infringer under section 271(a). NTP's theory of infringement tracked the language of section 271(a). In its complaint, NTP alleged that RIM had infringed its patents by "making, using, selling, offering to sell and importing into the United States products and services, including the Defendant's BlackBerry™ products and their related software . . . ." Compl. ¶ 19. According to RIM, the statutory requirement that all steps of the allegedly infringing activity take place "within the United States" was not satisfied because the BlackBerry Relay component of the accused system is located in Canada.[9] As explained above, RIM's Relay operates to translate and route email messages from the processors in the user's email system to the partner wireless networks in the BlackBerry system. NTP alleges that the Relay component satisfies the "interface" of the "interface switch" limitation in the '960, '670, '172, and '451 patents.

The district court declined to grant summary judgment in RIM's favor. The court agreed that "to establish direct infringement under § 271(a), NTP must show that RIM practiced all of the steps of the process patented in the Campana inventions in the United States." *Section 271 Order*, slip op. at 6. However, because there remained "a genuine dispute . . . with regards to whether RIM operates a Relay

---

[9] There was a question below as to whether the Relay was also operated out of Virginia. This question appears to have been resolved in RIM's favor; on appeal, NTP does not contest the location of the BlackBerry Relay in Canada. For the purposes of our discussion, we assume that the BlackBerry Relay is located only in Canada. If, in fact, a Relay is also located in the United States, the need for this analysis would of course be obviated.

facility in Virginia," the court decided it could not resolve this issue on summary judgment. *Id.* at 9. Subsequently, during trial, the court changed its position and specifically found that "the fact that the BlackBerry relay is located in Canada is not a bar to infringement in this matter." The court therefore instructed the jury that "the location of RIM's Relay in Canada does not preclude infringement."

On appeal, RIM argues that the district court erred in its interpretation of the infringement statute. Citing the Supreme Court's decision in *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518 (1972), RIM contends that an action for infringement under section 271(a) may lie only if all allegedly infringing activity occurs within the United States. RIM urges that, in this case, that standard is not met: the BlackBerry Relay component, described by RIM as the "control point" of the accused system, is housed in Canada. For section 271(a) to apply, RIM asserts that the entire accused system and method must be contained or conducted within the territorial bounds of the United States. Stated differently, RIM's position is that if a claim limitation of a patented system would only be met by a component of the accused system, or a step of the accused method, located outside the United States, then the entire system or method is beyond the reach of section 271(a), even if the use and function of the whole system in operation occur in the United States.

This court reviews the statutory construction of a district court *de novo*. *Merck & Co. v. Kessler*, 80 F.3d 1543, 1549 (Fed. Cir. 1996) (reviewing "the district court's decision on the meaning of the various [statutory] provisions and their interrelationship" without deference). In our interpretation of the statute, we "give the words of a statute their ordinary, contemporary, common meaning, absent an indication Congress intended them to bear some different import." *Williams v. Taylor*, 529 U.S. 420, 431 (2000) (internal quotation marks

omitted). We begin with the words of the statute, *see Trayco, Inc. v. United States*, 994 F.2d 832, 836 (Fed. Cir. 1993), but may consult dictionaries, *see Bayer AG v. Housey Pharms.*, Inc., 340 F.3d 1367, 1371 (Fed. Cir. 2003), and legislative history, *see Neptune Mut. Ass'n Ltd. of Bermuda v. United States*, 862 F.2d 1546, 1549 (Fed. Cir. 1988), if necessary to construe the statute.

The question before us is whether the location of a component of an accused system abroad, where that component facilitates operation of the accused system in the United States, prevents the application of section 271(a) to that system. Pursuant to section 271(a), the "use[]"[10] of "any patented invention[] within the United States . . . during the term of the patent therefor, infringes the patent." 35 U.S.C. § 271(a) (2000). The plain language of section 271(a) does not preclude infringement where a system such as RIM's, alleged to infringe a system or method claim, is used within the United States even though a component of that system is physically located outside the United States. For the reasons more fully set forth below, we conclude that when two domestic users communicate via their BlackBerry devices, their use of the BlackBerry system occurs "within the United States," regardless of whether the messages exchanged between them may be transmitted outside of the United States at some point along their wireless journey.

The seminal case addressing the territoriality of section 271(a) is *Deepsouth*. In *Deepsouth*, the patentee established infringement by Deepsouth Packing Co. and obtained an injunction prohibiting Deepsouth from making or selling its machines in the United States. 406 U.S. at 523. Deepsouth

[10] NTP also argues that direct infringement under section 271(a) has occurred through the "sale" by RIM of the BlackBerry system within the United States. Because we find that the manner of "use" of the accused system satisfies section 271(a), we need not and do not consider whether its sale does as well.

then sought a modification of the injunction so that it would be permitted to export its infringing machines *unassembled* for use abroad. *Id.* The Supreme Court considered whether section 271(a) prevented, as direct infringement, the domestic production of all component parts of a patented combination for export, assembly, and use abroad. *Id.* at 527. The Court held that the export of unassembled components of an invention could not infringe the patent. *Id.* at 529. The Court said that it could not "endorse the view that the 'substantial manufacture of the constituent parts of a machine' constitutes direct infringement when we have so often held that a combination patent protects only against the operable assembly of the whole and not the manufacture of its parts." *Id.* at 528. In so holding, the Court explained that Congress could decide to change section 271 to account for this loophole. *Id.* at 530 ("When, as here, the Constitution is permissive, the sign of how far Congress has chosen to go can come only from Congress."). This is precisely what occurred. In 1984, Congress enacted section 271(f), which extends infringement liability to cover the export of elements of patented inventions. 35 U.S.C. § 271(f) (2000). The new section directly "respond[ed] to the United States Supreme Court decision in *Deepsouth Packing Co. v. Laitram Corp.* concerning the need for a legislative solution to close a loophole in patent law." 130 Cong. Rec. 28,069 (1984). The key premise in *Deepsouth* was that Deepsouth was not using the machines in the United States as a "whole operable system assembly" because Deepsouth did not combine the components for use in the United States.

Deepsouth interprets section 271(a) to allow an action for direct infringement only when the defendant makes, uses, sells, or offers to sell the patented product within the bounds

of the United States.[11] *Id.* at 527. *Deepsouth* construed section 271(a) to avoid giving patent law any extraterritorial effect. *Id.* at 531 ("To the degree that the inventor needs protection in markets other than those of this country, the wording of 35 U.S.C. §§ 154 and 271 reveals a congressional intent to have him seek it abroad through patents secured in countries where his goods are being used."). We disagree with RIM that the application of section 271(a) to this case would compromise that guiding principle. *See Waymark Corp. v. Porta Sys. Corp.*, 245 F.3d 1364, 1367 (Fed. Cir. 2001) (declining to apply section 271(a) only after concluding that "[l]ike *Deepsouth*, this case presents the possibility of giving United States patent protection extraterritorial effects"). The case before us can be distinguished from *Deepsouth* in that "the *location* of the infringement is within United States territory, not abroad as in *Deepsouth*." *Decca Ltd. v. United States*, 544 F.2d 1070, 1074 (Ct. Cl. 1976) (emphasis added). Even though one of the accused components in RIM's BlackBerry system may not be physically located in the United States, it is beyond dispute that the location of the beneficial use and function of the whole operable system assembly is the United States.

Our predecessor court, the Court of Claims, recognized this distinction in a case with close parallels to the present case. In *Decca*, the court addressed a claim of infringement by the government's "Omega" navigation system. That system was used for global positioning of ships and aircraft and was comprised of one "master" control station, located in the United States, and several planned transmitter stations, to be located around the world, including in Norway. *Id.* at 1074,

---

[11] In *Rotec Industries, Inc. v. Mitsubishi Corp.*, 215 F.3d 1246, 1252 n.2 (Fed. Cir. 2000), this court confirmed that the *Deepsouth* interpretation of section 271(a) remains binding precedent on the limits of direct infringement liability under that section.

1081. The government relied on *Deepsouth*, as RIM does here, to assert that the location of the stations outside the United States prevented infringement, as "a claim is infringed only when an operative assembly of the entire claimed combination is made or used within the territorial limits of the United States." *Id.* at 1081. The Court of Claims, soundly rejected this argument, finding that the "Omega" navigation system was an infringing "use" under section 271(a). *Id.* at 1082.

> The transmission from the Norwegian station is controlled by the United States in the sense that it established and continuously monitors the signals from that station, and this all occurs in the United States. . . . Further, it is from the United States all actions are taken to ensure synchronization of the transmissions of that station with those in the United States. In other words, it is obvious that, although the Norwegian station is located on Norwegian soil, a navigator employing signals from [the Norwegian] station is, in fact, "using" that station and such use occurs wherever the signals are received and used in the manner claimed.
>
> In view of the foregoing, and while the matter is not free from doubt, it is concluded that a basis for liability under claim 11 has been shown. This conclusion does not rest on any one factor but on the combination of circumstances here present, with particular emphasis on *the ownership of the equipment by the United States, the control of the equipment from the United States and on the actual beneficial use of the system within the United States.*

Id. at 1082-83 (emphasis added). The Court of Claims went on to note that the claims were directed to receipt and use of the broadcast signals and not the generation of the particular signals by a transmitter. *Id.* at 1083. With the exception of some of the transmitters, the other components including

the "master" station and system monitoring functions, were located in the United States. *Id.* at 1074. The court observed that if the claims had been directed to signal generation, then the location and operation of the transmitters abroad "would have been beyond the reach of the U.S. patent laws." *Id.* at 1083.

The BlackBerry system is akin to the infringing system in *Decca*. The claims are directed to systems and methods for sending email messages between two subscribers; the transmission is made between an originating processor and destination processor. Although RIM's Relay, which is located in Canada, is the only component that satisfies the "interface" of the "interface switch" limitation in the asserted claims, because all of the other components of RIM's accused system are located in the United States, and the control and beneficial use of RIM's system occur in the United States, we conclude that the situs of the "use" of RIM's system for purposes of section 271(a) is the United States. *See id.* Like the court in *Decca*, we conclude that the location of RIM's customers and their purchase of the BlackBerry devices establishing control and beneficial use of the BlackBerry system within the United States satisfactorily establish territoriality under section 271(a). We thus affirm the judgment of the district court that section 271(a) applies to RIM's allegedly infringing conduct.

3. *Denial of Judgment as a Matter of Law*

"The grant or denial of a motion for judgment as a matter of law is a procedural issue not unique to patent law, reviewed under the law of the regional circuit in which the appeal from the district court would usually lie." *Summit Tech., Inc. v. Nidek Co.*, 363 F.3d 1219, 1223 (Fed. Cir. 2004). Under the law of the Fourth Circuit, the denial of a motion for judgment as a matter of law is reviewed *de novo*. *Johnson v. MBNA Am. Bank, NA*, 357 F.3d 426, 431 (4th Cir. 2004). "We must view the evidence in the light most fav-

orable to . . . the nonmovant, and draw all reasonable inferences in [the nonmovant's] favor without weighing the evidence or assessing the witnesses' credibility." *Id.* "The question is whether a jury, viewing the evidence in the light most favorable to [the nonmovant], could have properly reached the conclusion reached by this jury." *Baynard v. Malone*, 268 F.3d 228, 235 (4th Cir. 2001). "We must reverse [the denial of a motion for JMOL] if a reasonable jury could only rule in favor of [the movant]; if reasonable minds could differ, we must affirm." *Id.*

To establish that no reasonable jury could have found infringement, RIM challenges the testimony of NTP's expert, Dr. Vernon Rhyne, who opined during trial that the BlackBerry Corporate and Internet solutions met the limitations of asserted claims from the '960, '670, '172, and '451 patents. According to RIM, Dr. Rhyne's testimony was inconsistent with that of Alan Lewis, a RIM employee, though it was Lewis' testimony on which Dr. Rhyne, in part, based his conclusions. This inconsistency, argues RIM, prevented the testimony from amounting to substantial evidence on which a jury could deliver a verdict of infringement. We disagree. As NTP correctly notes, (1) Dr. Rhyne's testimony was not based exclusively on Lewis' testimony, and (2) the jury had before it evidence other than Dr. Rhyne's testimony that demonstrated infringement. Applying our de novo standard of review, we agree with the district court that the jury verdict of infringement of claims 28, 248, and 309 of the '451 patent should not be disturbed.

RIM next contends no reasonable jury could have found the asserted claims to be not invalid over certain "AlohaNet" prior art, either alone or in combination with a 1975 article by the AlohaNet inventor, Dr. Abramson. AlohaNet was a pioneering network system developed at the University of Hawaii. According to RIM, the AlohaNet system facilitated communications over both wireline and wireless networks as

early as 1973. At trial, RIM's expert, Dr. Reed, testified that the AlohaNet system met each of the asserted claim limitations. On appeal, RIM attempts to rebut the three distinctions drawn by NTP at trial to differentiate the Campana invention from the prior art. In response, NTP emphasizes that RIM's invalidity argument was premised on the testimony of Dr. Reed, which the jury found not to be credible. In its JMOL order, the district court reached this same conclusion: "Much of Dr. Reed's direct testimony was conclusory and failed to analyze and explain the claim language and which components of the prior art embodied each element of the asserted claims." *JMOL Order*, slip op. at 6. We agree with the district court that "[s]uch conclusory evidence is hardly enough to meet RIM's high burden of clear and convincing evidence with respect to anticipation and obviousness." *Id.* We thus affirm the district court's denial of JMOL on the validity issue.

C. *Evidentiary Rulings*

Finally, RIM contests three evidentiary rulings made by the court: (1) the exclusion of the testimony of Larry Nixon, a patent attorney who would have testified on behalf of RIM that under the district court's claim construction, the claims were invalid for want of an adequate written description, *see* 35 U.S.C. § 112; (2) the exclusion of the testimony of RIM employee Alan Lewis, who was to opine on certain aspects of the BES system; and (3) the exclusion of the demonstration of a "TekNow" prior art system and related testimony after doubt was cast on the authenticity of that evidence. In reviewing a district court's evidentiary rulings, we apply the law of the relevant regional circuit. *Sulzer Textil A.G. v. Picanol N.V.*, 358 F.3d 1356, 1363 (Fed. Cir. 2004). Under the law of the Fourth Circuit, the district court's exclusion of expert testimony is reviewed under an abuse of discretion standard. *United States v. Wilkerson*, 84 F.3d 692, 696 (4th

Cir. 1996). We have reviewed RIM's arguments in connection with these evidentiary rulings and have concluded that the court acted within its discretion.

III. CONCLUSION

In conclusion, we alter the district court's construction of the claim term "originating processor." We affirm the remainder of the district court's claim constructions. We remand to the district court the questions of whether and to what extent the jury verdict of infringement should be set aside, based on the prejudicial effect, if any, of the district court's erroneous claim construction of the term "originating processor." Should such prejudicial effect be shown, and because the jury verdict did not specify the amount of infringing sales attributed to each individual patent claim, or the specific devices and services determined by the jury to infringe each separately asserted claim, the district court on remand will also have to determine the effect of any alteration of the jury verdict on the district court's damage award and on the scope of the district court's injunction. Accordingly, the judgment and the injunction are vacated, and the case is remanded to the district court for further proceedings consistent with this opinion. We affirm the district court's judgment in all other respects. We thus affirm-inpart, vacate-in-part, and remand.

IV. COSTS

Each party shall bear its own costs.

AFFIRMED-IN-PART, VACATED-IN-PART,
AND REMANDED

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

February 2, 2005

ERRATA

Appeal No. 03-1615

NTP, INC. V. RESEARCH IN MOTION LTD.

Decided: December 14, 2004 Precedential Opinion

Please make the following change:

Page 54, lines 20-21, delete "under section 271(a)"

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

[Filed Aug. 5, 2003]

Civil Action Number 3:01CV767

NTP, INC.,

Plaintiff,

v.

RESEARCH IN MOTION, LTD.,

Defendant.

FINAL ORDER

THIS MATTER comes before the Court on the final disposition of this matter. Upon due consideration, it is hereby ORDERED that:

1. Where appropriate, this Court will issue memoranda as to matters previously ruled upon, and such memoranda will be filed *nunc pro tunc*.

2. NTP, Inc. ("NTP") shall be AWARDED monetary damages in the total amount of $53,704,322.69, which represents damages payable as of May 31, 2003. NTP is also AWARDED postjudgment interest, as stipulated in the Order issued by this Court on March 11, 2003. The monetary award is comprised as follows:

   a. Compensatory damages at a royalty rate of 5.7% in the amount of $33,446,172.90;

   b. Attorney fees, decreased by 20%, in the amount of $4,203,160.79;

c. Prejudgment interest compounded quarterly in the amount of $2,022,838; and

d. Enhanced damages, increasing compensatory damages by a factor of 0.5, in the amount of $14,032,161.

3. This Court FINDS that: (1) NTP will be face irreparable harm if an injunction is not issued; (2) NTP has no adequate remedy at law to address future infringing sales; (3) an injunction in this case is in the public interest as it promotes protection of the rights gained through the patent process; and (4) the balance of hardships between NTP as the holder of the patents-in-suit, and Research in Motion, Ltd. ("RIM") as the infringing party, weighs more heavily towards NTP. For these reasons, this Court FINDS that there is no compelling reason to deny imposition of an injunction in this matter. Accordingly, NTP's Motion for Permanent Injunction [Dkt. No. 274] is GRANTED. It is hereby ORDERED that NTP is entitled to the following injunctive relief:

a. RIM, including its officers, directors, employees, attorneys, agents, partners, parents, predecessors, subsidiaries, affiliates, and ail those in active concert or participation with RIM who receive actual notice of this injunction by personal service or otherwise, are permanently enjoined from indirectly or directly making, using, offering to sell, or selling within the United States or importing into the United States any of the following products or services:

i. The Blackberry Handheld Units (model numbers 850, 857, 950, 957, 5810, 6710, 6510, 6210 and 6750);

ii. RIM's BlackBerry "Corporate" Redirector Software (BlackBerry Enterprise Server for Microsoft Exchange and BlackBerry Enterprise Server for Lotus Domino);

iii. RIM's BlackBerry "Desktop" Redirector Software;

iv. RIM's BlackBerry "ISP" Redirector Software; and

v. RIM's BlackBerry Wireless. Email Service on the Mobitex, DataTAC and GPRS networks in connection with any of the foregoing products.

In addition, RIM is enjoined from: (1) circulating within the United States any sales literature or sales information that encourages the use, sale or importation of any of these products or services; and (2) aiding and abetting, actively inducing or in any way contributing to the use, sale or importation of any of these products or services within the United States.

b. RIM, including its officers, directors, employees, attorneys, agents, partners, parents, predecessors, subsidiaries, affiliates, and all those in active concert or participation with RIM who receive actual notice of this injunction by personal service or otherwise, are permanently enjoined from directly infringing any one of the following claims of the following NTP Patents:

i. claims 15, 32 and 34 of U.S. Patent No. 5,436,960;

ii. claim 8 of U.S. Patent No. 5,625,670;

iii. claim 199 of U.S. Patent No. 5,819,172;

iv. claims 28, 248, 309, 313 and 317 of U.S. Patent No. 6,067, 451; and

v. claims 40, 150, 278, 653 and 654 of U.S. Patent No. 6,317,592.

In addition, RIM is enjoined from actively inducing or contributing to the infringement of any of the forgoing claims.

This injunction shall remain in effect until the date of expiration of each of the NTP patents identified above, the latest of which is May 20, 2012.

4. Paragraph Three (3) of this Order notwithstanding, This Court FINDS that: (1) RIM will be irreparably injured absent a stay of the permanent injunction; (2) the issuance of the stay will not substantially injure NTP; and (3) issuance of the stay is in the public interest, as the public has a demonstrated and increasing use of the products and services involved in this litigation. Accordingly, RIM's Cross-Motion to Stay the Permanent Injunction [Dkt. No. 303] is GRANTED. The Permanent Injunction in this matter, as stipulated in Paragraph Three (3) herein, is hereby STAYED PENDING APPEAL.

5. NTP's Motion for Entry of Final Judgment [Dkt. No. 266] is MOOT.

6. RIM's Motion to Stay Proceedings in Light of Director-Initiated Reexamination of NTP's Patents [Dkt. No. 310] is MOOT.

7. NTP's Motion to Clarify the Record Regarding Inconsistent Factual Statements [Dkt. No. 325] is MOOT.

8. RIM's Motion to Enforce the Court's Scheduling Order [Dkt. No. 329] is MOOT.

This Order hereby incorporates all previous Orders issued by this Court regarding the final disposition of this case, as well as all amendments thereto.

Let the Clerk send a copy of this Order to all parties of record.

It is SO ORDERED.

/s/ James R. Spencer
JAMES R. SPENCER
UNITED STATES DISTRICT JUDGE

Date: Aug. 5, 2003

IN THE UNTIED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

[Filed Aug. 5, 2003]

Civil Action Number 3:01CV767

NTP, INC.,

Plaintiff,

v.

RESEARCH IN MOTION, LTD.,

Defendant.

MEMORANDUM OPINION

THIS MATTER comes before the Court on Defendant's Second Motion for Summary Judgment, filed on May 10, 2002 [Dkt. No. 53]. Pursuant to the Order of the Court issued on October 23, 2002, for the reasons discussed herein, the Motion is DENIED.

I.

This is a patent infringement case in which Plaintiff NTP, Inc. ("NTP") alleges that certain technology manufactured by Defendant Research In Motion, Limited ("RIM") directly and indirectly infringes upon claims in seven patents. RIM is an Ontario, Canada corporation with its principal office location in Waterloo, Ontario, Canada. RIM provides three versions of Redirector Software that forwards a copy of e-mail received to the BlackBerry Relay, which directs e-mail to a Radio Frequency Transmission Network ("RF Network"). RIM also sells BlackBerry wireless pagers, which receive copies of the forwarded e-mails sent by the RF Network.

NTP asserts that this system of receiving e-mail and its various components (the "Accused System") constitutes infringement of multiple claims of United States Patent Nos. 5,436,960 (the '960 Patent), 5,438,611 (the '611 Patent), 5,625,670 (the '670 Patent), 5,631,946 (the '946 Patent), 5,819,172 (the '172 Patent), 6,067,451 (the '451 Patent), and 6,317,592 (the '592 Patent) (collectively, the "patents-in-suit" or the "Campana patents").

II.

A finding of patent infringement involves a two-step analysis. *Standard Oil Co. v. Cyanamid Co.*, 774 F.2d 448, 452 (Fed. Cir. 1985). First, the court must interpret the asserted patent claim. *See Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 976 (Fed. Cir. 1995). Second, the trier of fact must compare the properly construed claim to the allegedly infringing product. *Id.* The construction of a patent claim is a legal matter exclusively for the court. *Id.* at 978 ("It has long been and continues to be a fundamental principle of American law that the construction of a written evidence is exclusively with the court.") (quoting *Levy v. Gamsby*, 7 U.S. 180, 186 (3 Cranch 1805)). However, infringement is a question of fact. *Bai v. L&L Wings, Inc.*, 160 F.3d 1350, 1353 (Fed. Cir. 1998).

A motion for summary judgment lies only where "there is no genuine issue as to any material fact" and where the moving party is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(c). *See also Celotex Corp. v. Catrett*, 477 U.S. 317, 325 (1986); *Haavistola v. Cmty. Fire Co. of Rising Sun, Inc.*, 6 F.3d 211, 214 (4th Cir. 1993); *Beale v. Hardy*, 769 F.2d 213, 214 (4th Cir. 1985). The Court must view the facts and the inferences drawn therefrom in the light most favorable to the party opposing the motion. *Ballinger v. North Carolina Agr: Extension Serv.*, 815 F.2d 1001, 1004 (4th Cir.), *cert. denied*, 484 U.S. 897 (1987). While viewing the facts in such a manner, the. Court looks to the affidavits or

other specific facts to determine whether a triable issue exists. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). According to the Fourth Circuit:

> In determining whether summary judgment may be granted, the district court must perform a dual inquiry into the genuineness and materiality of any purported factual issues. Whether an issue is genuine calls for an examination of the entire record then before the court in the form of pleadings, depositions, answers to interrogatories, admissions on file and affidavits, under Rule 56(c) and (e) . . . . Genuineness means that the evidence must create fair doubt; wholly speculative assertions will not suffice. A trial, after all, is not an entitlement. It exists to resolve what reasonable minds would recognize as real factual disputes.

Ross v. Communications Satellite Corp., 759 F.2d 355, 364 (4th Cir. 1985) (emphasis original). Summary judgment is not appropriate if "the evidence is such that a reasonable jury could return a verdict for the nonmoving party." *Anderson*, 477 U.S. at 248. However, if a motion for summary judgment is "properly supported by affidavits, depositions, or answers to interrogatories, the nonmoving party may not rest on mere allegations or denials of the pleadings . . . [but] must respond by affidavits or otherwise and present specific facts demonstrating a triable genuine issue of material fact." *Garrett v. Gilmore*, 926 F.Supp. 554, 555 (W.D.). Va. 1996), *aff'd*, 103 F.3d 117 (4th Cir. 1996).

III.

RIM bases this Motion for Summary Judgment on several grounds, all of which require statutory interpretation of the patent infringement statutes. In construing a statute, the Court will "begin by inspecting its language for plain meaning. If the words are unambiguous, no further inquiry is usually required." *Superior Fireplace Co. v. Majestic Products Co.*,

270 F.3d 1358, 1369 (Fed. Cir. 2001) (citing *Camargo Correa Metais, S.A. v. United States*, 200 F.3d 771, 773 (Fed. Cir. 1999)). Furthermore, the Court will consider not only the plain meaning of a particular statute, but also its "placement and purpose in the statutory scheme." *Fanning, Phillips, Molnar v. West*, 160 F.3d 717, 721 (Fed. Cir. 1998). However, if the words are ambiguous, courts will refer to the legislative history of the statute to determine congressional intent in enacting the law. *DeCosta v. U.S.*, 987 F.2d 1556, 1558 (Fed. Cir. 1993) (citing *Chevron U.S.A., Inc. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837, 842-43 (1984)).

A. *Direct Infringement: 35 U.S.C. § 271(a)*

RIM asserts that summary judgment in its favor is appropriate because NTP cannot establish that the products manufactured by RIM directly infringe upon the patents-in-suit. Specifically, RIM argues that, pursuant to § 271(a), the party accused of infringement must practice the entire patented invention within the United States. RIM asserts that there is no genuine issue of material fact that the Accused System include components and "multiple subsystems," located both inside and outside the United States, that are operated by a multitude of different entities. Therefore, as RIM opines, because it does not operate all of the components, it cannot be liable for infringement. RIM also argues that, under this section, direct infringement cannot be predicated on conduct that occurs outside of the United States. NTP, on the other hand, argues that RIM operates one of its Relay facilities in the Commonwealth of Virginia, and that RIM's offer to sell and sale of products that infringe on the patents-in-suit, within the United States constitute direct infringement under § 271(g).

Section 271 of the United States Code addresses patent infringement. The pertinent language of § 271(a) is as follows:

> Except as otherwise provided in the title, whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent.

35 U.S.C. § 271(a). An invention is patentable when a person or entity "invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof . . . ." 35 U.S.C. § 101. Making, using, or selling a patented invention is "direct infringement" under this subsection. *Joy Techs., Inc. v. Flakt, Inc.*, 6 F.3d 770, 773 (Fed. Cir. 1993). A determination of whether RIM is liable for infringement under § 271(a), turns on two issues. First, whether the patents-in-suit describe a patented process, and if so, whether RIM performed all the necessary steps to complete the process. The next issue is whether any of RIM's alleged infringement activities occur in the United States.

1. *Performance of All Steps in Patent Process*

RIM first argues that there is no genuine issue of material fact that it is not liable for direct infringement under § 271(a) because it does not manufacture all the components necessary for the "patented process" of the patents-in-suit. RIM asserts that the only component of the patented process that it operates is the BlackBerry Relay, which is located in Waterloo, Ontario. For example, RIM asserts that its Blackberry Enterprise Server may only be used in conjunction with Microsoft Exchange or IBM Lotus Notes.

NTP argues that RIM's assessment of the patents-in-suit is wrong, in that the patents-in-suit claim a process and components of that overall process. NTP refers to claim 248 of the '451 Patent, which claims the RF device as an example

of a claimed component. In addition, NTP asserts that a number of claims in the '592 Patent are directed at specific components, not an entire system. For example, claims 10, 40, and 104 claim an "originating device"; claims 150, 217, 223, 255, and 286 all claim a "mobile processor"; and claims 653, 654, and 658 all claim a "computer program."

Both RIM and NTP's assertions are premised on an interpretation of § 271(a). Referring to the text of that section, there is no mention of a "process." Instead, that section refers to "a patented invention." A patented invention, is "any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof . . . ." 35 U.S.C. § 101. The term "process," as defined by the statute "means process, art or method, and includes a new use of a known process, machine, manufacture, composition of matter, or material." 35 U.S.C. § 100(b). This definition is ambiguous, at best. However, "process" has been more clearly defined by the Supreme Court, as "a mode of treatment of certain materials to produce a given result. It is an act, or a series of acts, performed upon the subject-matter to be transformed and reduced to a different state or thing." *In re Schrader*, 22 F.3d 290, 295 (Fed. Cir. 1994) (citing *Cochrane v. Deener*, 94 U.S. 780, 788 (1876)). As established by the Federal Circuit in *Joy Techs., Inc.*, RIM is correct in its argument that the Campana patents claim a process, not merely a "machine, manufacture, or composition of matter," or other component of a process, as defined in 35 U.S.C. § 101. The Campana patents involve a series of acts to be performed in order to send and receive wireless email via a RF network to a RF device and other destination processors. Therefore, to establish direct infringement under § 271(a), NTP must show that RIM practiced all of the steps of the process patented in the Campana inventions in the United States.

2. *Direct Infringement Within the United States*

RIM next argues that it cannot be held liable for direct infringement under § 271(a) because it does not practice the entire patented process in the United States, and it does not assemble all of the components necessary for any of the patented systems in the United States. RIM argues that an "'interface' or 'interface switch' is a crucial component of the claimed inventions." (Memorandum in Support of Defendant Research in Motion, Limited's Motion for Summary Judgment ("Mem. in Supp.") at 5.) RIM further argues that the BlackBerry Relay, its version of this "crucial component," is located in Waterloo, Ontario, Canada, not the United States. NTP argues that there is a genuine issue of material fact regarding RIM's Virginia Relay facility, which precludes summary judgment. NTP asserts that this Relay has fail over capacity in Virginia, and that the Virginia Relay has fail over capacity in Waterloo. (NTP's Memorandum of Points and Authorities in Opposition to RIM's Second Motion for Summary Judgment ("Mem. in Opp'n") at 11; Ex. L, Tab 16.) NTP also refers to internal RIM documents, which specifically refers to "Blackberry Operations in Virginia," (*Id.* at Ex. N), and "Virginia, United States" as one of its "Current Locations." (*Id.* at Ex. k, Tab 15.) NTP also states that "RIM offered for sale, sold, and imported a BlackBerry Relay to Aether Systems located in Owings Mill, Maryland." (Supplemental Memorandum in Opposition to RIM's Second Motion for Summary Judgment ("Supplemental Mem.") at 1.) Finally, NTP asserts that "disputes exist with respect to RIM's claim that it does not own or operate an RF Network in the United States." (Mem. in Opp'n at 12.) For example, NTP avers that "RIM offered for sale and entered into at least one sales contract binding RIM to sell a Blackberry Relay to Cingular Wireless located in Woodbridge, New Jersey." (Supplemental Mem. at 1.)

RIM cites to *Joy Techs., Inc.* to support its argument. In that case, the Federal Circuit held that the sale of equipment to perform a process is not a sale of the process for purposes of direct infringement under § 271(a). *Joy Techs., Inc.*, 6 F.3d at 773. In supporting this decision, the Federal Circuit cited to *Standard Havens Prods., Inc. v. Gencor Indus., Inc.*, 953 F.2d 1360 (Fed. Cir. 1991), for the proposition that, a method or process is not directly infringed until that method or process is performed; it cannot be infringed by selling an instrumentality capable of performing the method or process. *Joy Techs., Inc.*, 6 F.3d at 773. The Federal Circuit concluded that the law on this issue is clear.

RIM also cites to *Deepsouth Packing Co. v. Laitrum Corp.*, 406 U.S. 518 (1972), for the proposition that patents claiming a system of multiple components cannot be infringed unless the alleged infringer makes, uses, sells, offers to sell, or imports into the United States, the complete system. In that case, *Deepsouth Packing Co.* manufactured parts of a shrimp deveining machine, sold those parts abroad, and the parts were used in deveining machines that were used abroad. *Id.* at 523-24. The Supreme Court held that the patent statutes did not preclude the manufacture of parts of a patented invention in the United States, which were to be subsequently used to complete the entire patented invention in a foreign country. *Id.* at 531. The Court also stated that "[n]o wrong is done the patentee until the combination is formed. His monopoly does not cover the manufacture or sale of separate elements capable of being, but never actually, associated to form the invention." *Id.* at 529. The Federal Circuit noted that *Deepsouth* is still good law with respect to direct patent infringement under § 271(a). *Rotec Indus. Inc. v. Mitisubishi Corp.*, 215 F.3d 1246, 1252 n.2 (Fed. Cir. 2000).

There are two problems with RIM's analysis of the case law here. First, *Deepsouth* was concerned "primarily with giving extra-territorial effect to United States patent pro-

tection" for patents that were "completed" abroad. *Waymark Corp. v. Porta Systems Corp.*, 245 F.3d 1364, 1367 (Fed. Cir. 2001). It is true, as RIM. asserts, that the Supreme Court held in *Deepsouth* that infringement occurs only when the components of the process are combined. However, in the very next sentence, the Court states "[o]nly when such association is made is there a direct infringement of his monopoly, and not even then if it is done outside the territory for which the monopoly was granted." *Id.* Two conclusions can be derived from this statement. First, patent infringement occurs when such separate components are associated to form the completed invention. Second, the Court does not state that a person or entity can avoid infringement when they manufacture components outside the United States, but offer them for sale inside the United States. Indeed, both the *Deepsouth* and *Rotec* decisions involved accused infringers who provided components of a patented invention where the completed invention was to be manufactured *outside* of the United States. The evidence presented by NTP on this particular issue, when considered in relation to the Court's Markman Order, support a finding that RIM formed all necessary steps to complete the patented process.

The second problem with RIM's analysis is that it does not address the possible presence of a Relay facility in Virginia. In its response, RIM asserts that it has never operated a Relay facility in Virginia, and that the documents referred to by NTP are "only vague and ambiguous references to RIM's facility in Virginia and provide no indication that RIM has ever used a Relay in Virginia to transmit a single forwarded e-mail." (Defendant Research in Motion, Limited's Response to Plaintiff NTP's Opposition to RIM's Motion for Summary Judgment ("Mem. in Resp.") at 3.) In addition, RIM attached the Declaration of Wade Brown, Director of BlackBerry Engineering, to support the assertion that RIM does not operate a Relay in the United States. (*Id.* at. Ex. A.) In light of the competing evidence offered by both RIM and NTP, a

genuine dispute exists with regards to whether RIM operates a Relay facility in Virginia, making summary judgment on this issue inappropriate.

B. *Direct Infringement: 35 U.S.C. § 271(f)*

NTP asserts that it is inappropriate to grant a motion for summary judgment because there is a genuine issue of material fact that RIM's admitted sales of Redirector Software and BlackBerry Pagers constitute infringement under § 271(f). RIM dismisses this argument by asserting that NTP never averred this claim in its complaint, and that nevertheless, the facts of this case do not establish infringement under this section.

After the Supreme Court's decision in *Deepsouth*, Congress added § 271(f) to prevent the manufacture of components of a patented invention in the United States for the combination of such components abroad. *Rotec*, 215 F.3d at 1252 n.2. Indeed, § 271(f) provides a new cause of action for direct infringement that is wholly separate from the infringement cause of action promulgated under § 271(a). *Id.* Section 271(f) provides that:

> (1) Whoever without authority supplies or causes to be supplied in or from the United States all or a substantial portion of the components of a patented invention, where such components are uncombined in whole or in part, in such manner as to actively induce the combination of such components outside of the United in a manner that would infringe the patent if such combination occurred within the United States, shall be liable as an infringer.
>
> (2) Whoever without authority supplies or cause to be supplied in or from the United States any component of a patented invention that is especially made or adapted for use in the invention and not a staple article or commodity of commerce suitable for substantial nonin-

> fringing use, where such component is uncombined in whole or in part, knowing that such component is so made or adapted intending that such component will be combined outside of the United States in a manner that would infringe the patent if such combination occurred within the United States, shall be liable as an infringer.

35 U.S.C. § 271(f).

NTP argues that RIM is liable for infringement under both paragraphs of § 271(f). Specifically, NTP asserts that RIM supplies in the United States key components of what it terms the "BlackBerry Wireless Email Solution." (Mem. in Opp'n at 15.) Those components include various versions of Redirector Software and the BlackBerry Pager. NTP asserts that these components constitute a "substantial portion of the patented invention," within the meaning of the § 271(f)(1). Furthermore, NTP argues that RIM operates the BlackBerry Relay component of the accused systems in Waterloo, Ontario and "actively induces its United States customers to combine the other components with RIM's Waterloo Relay "outside the United States in a manner that would infringe the patent if such combination occurred within the United States," in line with the language of § 271(f)(1). (Mem. in Opp'n at 15.) NTP asserts that RIM is also liable under § 271(f)(2), because the Redirector Software and BlackBerry Pagers are "especially made or especially adapted for use in practicing the Campana inventions, and are not a staple article or commodity suitable for substantial noninfringing use." (*Id.* at 16.) RIM asserts that this section does not apply, because it requires the combination of all the components in Waterloo.

RIM does not cite any case law in its Response to support this conclusion of law. Indeed, a reading of the plain text of paragraph (1) indicates that it is only necessary for the accused infringer to "actively induce" the combination. It does not require that the combination actually occur, or that the combination includes all of the components. Furthermore,

there is no case law in the Federal Circuit or this District that supports this proposition. In addition, the Federal Circuit has expressly held that, under paragraph (2), actual combination is not necessary. *Waymark Corp.*, 245 F.3d at 1367-68 ("On its face, 271(f)(2) requires that the infringer only intend[] that such component will be combined. At no point does the statutory language require or suggest that the infringer must actually combine or assemble the components.")

To determine liability under § 271(f)(1), this Court must first determine that the Redirector Software and the BlackBerry Pagers constitute a "substantial portion of the components" of the Campana inventions. Next, this Court must find that RIM supplies these components in the United States as to "actively induce" the combination of the components in Waterloo, Canada. Finally, the Court must find that this inducement is done in a manner "that would infringe the patent if such combination occurred within the United States." To establish liability under § 271(f)(2), it must be determined that the Redirector Software and the BlackBerry Pagers are "especially made or adapted for use" in the Campana inventions, and that RIM "intend[ed] that such component will be combined [in Waterloo] in such a manner that would infringe the patent if such combination occurred within the United States." There is no dispute that the Redirector Software and the BlackBerry Pagers constitute components of the patented process, under § 271(f)(2). Furthermore, there is evidence to support the finding that these products are a substantial portion of the Campana patents, under § 271(f)(1). These products are especially adapted for use in the invention, that is, the transmission of specially formatted wireless electronic mail. Furthermore, they are not a staple article or commodity of commerce suitable for substantial noninfringing use. Finally, there is evidence to support the fact that RIM actively induces and promotes the combination of these products with other components of the Campana patents outside the United

States, such as the BlackBerry Relay in Canada, in such a way that would constitute infringement if such combination occurred in the United States. Therefore, RIM cannot be granted summary judgment on this ground.

C. *Direct Infringement: 35 U.S.C. 271(g)*

NTP argues that RIM's Motion for Summary Judgment should be dismissed because there is a genuine issue of material fact with regards to RIM's patent infringement pursuant to § 271(g). Specifically, NTP asserts that "RIM concedes that each limitation of every method claim is literally satisfied and is performed in either the United States or Canada. RIM also concedes that specially formatted wireless email messages produced by the practice of these patented processes are sold, used and imported in the United States." (Mem. in Opp 'n at 16.) RIM argues that this section does not apply because it requires importation of a product, which does not encompass the transmission of electronic mail.

The pertinent provision of § 271(g) is as follows:

> Whoever without authority imports into the United States or offers to sell, sells or uses within the United States a product which is made by a process patented in the United States shall be liable as an infringer, if the importation, offer to sell, sale or use of the product occurs during the term of such process patent.

35 U.S.C. § 271(g). Thus, under this section, even if a product that is made by a patented process was manufactured in another country, an entity can still be held liable for patent infringement if such product is imported, sold, offered for sale, or used in the United States. Such entity will be liable for direct infringement. *Ajinomoto Co., Inc. v. Archer-Daniels-Midland Co.*, 228 F.3d 1338, 1348 (Fed. Cir. 2000). However, to become liable for infringement under this statute, the product must be imported into the United States.

Enpat, Inc. v. Microsoft Corp., 6 F. Supp. 2d 537, 539 (E.D. Va. 1998).

The "product which is made by a patented process" at issue in this case is *specially formatted wireless electronic mail.* Patent laws are given broad construction to "include anything under the sun that is made by man." *Diamond v. Chakrabarty*, 447 U.S. 303, 309 (1980). Therefore, RIM must make a strong showing that *specially formatted wireless electronic mail* is not a "product," within the meaning of § 271(g), to defeat this broad construction. RIM first argues that, to extend the definition of "import" to include e-mail as a "product," would expand liability under § 271(g) "exponentially to cover Internet transmissions, radio and television broadcasts, and even telephone calls from foreign countries." (Mem. in Supp. at 22.) NTP counters this argument by stating that the Supreme Court dealt with this very issue in *Chakrabarty*. In that case, the petitioner, like RIM, listed a parade of horribles if patent laws were construed broadly. *Chakrabarty*, 447 U.S. at 316. However, the Court was not dissuaded from construing the patent law broadly. *Id.* at 317. The Court noted that the only things that are not patentable are things that occur naturally. *Id.* at 309 ("The laws of nature, physical phenomena, and abstract ideas have been held not patentable. Thus, a new mineral discovered in the earth or a new plant found in the wild is not patentable subject matter.") Although, in *Chakrabarty*, the Supreme Court construed the patentability of an invention under 35 U.S.C. § 101, as opposed to the importation of a product that is made by a patent process under § 271(g), this analysis applies in this case, as well.

RIM merely asserts that the product at issue in this case is electronic mail. However, the product in this case is *specially formatted wireless electronic mail.* It does not occur naturally, it is not an abstract idea or physical phenomena. Such a product can be and is imported into the United States.

Furthermore, there is evidence that RIM sells and offers to sell access to such specially formatted wireless e-mail in the United States. Therefore, RIM cannot obtain summary judgment on the grounds of noninfringement under § 271(g).

D. *Inducement of Infringement and Contributory Infringement: 35 U.S.C. § 271(b), (c)*

RIM argues that inducement of infringement and contributory infringement, as a matter of law, requires direct infringement. Those sections are as follows:

> (b)Whoever actively induces infringement of a patent shall be liable as an infringer.
>
> (c)Whoever offers to sell or sells within the United States or imports into the United States a component of a patented machine, manufacture, combination of composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use, shall be liable as a contributory infringer.

35 U.S.C. § 271(b), (c). RIM is correct in its assertion that, to establish liability for inducement of infringement and contributory infringement, NTP must first establish direct infringement. *Deepsouth*, 406 U.S. at 526 ("[I]t is established that there can be no contributory infringement without the fact or intention of a direct infringement"); *Molinaro v. Fannon/Courier Corp.*, 745 F.2d 651, 654 (Fed. Cir. 1984) ("Contributory infringement cannot exist where there is no direct infringement . . . . Where there is no direct infringement, there is nothing to which the accused products could 'contribute.'") Thus, the law is clear on this point. However, because there is evidence that NTP may be able to establish direct infringement under either § 271(a), (f), or (g), RIM

cannot obtain summary judgment of nonfringement under § 271(b), (c).

IV.

There is evidence establishing genuine issues of material fact regarding whether RIM is liable for direct infringement, contributory infringement, and inducement of infringement under 35 U.S.C. § 271. Accordingly, this Defendant's Motion is DENIED.

/s/ James R. Spencer
JAMES R. SPENCER
UNITED STATES DISTRICT JUDGE

Date: Aug. 5, 2003
NUNC PRO TUNC 10/23/02

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

Civil Action Number 3:01CV767

NTP, INC.,

Plaintiffs,

v.

RESEARCH IN MOTION, LTD.,

Defendant.

THE UNITED STATES' STATEMENT OF INTEREST

Pursuant to 28 U.S.C. § 517[1], the United States files this Statement of Interest and seeks leave to supplement its Statement in this case to permit it to assess the scope of the government's interest in this case prior to this Court's consideration of any motion by plaintiff to enjoin the use of any BlackBerry devices, or reinstatement of the final injunction, as set forth in this Court's Order of August 5, 2003. The United States is not a party to this litigation.

I. INTRODUCTION

The United States (government) is a major user of BlackBerry™ devices and technology to allow its employees to access e-mail, and to send messages, when they are away from their offices and do not have computer access to their agencies' networks. As set forth below, and acknowledged by NTP, an injunction entered pursuant to 35 U.S.C. § 283 can-

---

[1] 28 U.S.C. § 517 provides that "any officer of the Department of Justice, may be sent by the Attorney General to any state . . . to attend to the interests of the United States in a suit pending in a court . . . of a State, or to attend to any other interest of the United States."

not enjoin use of a patented invention by the federal government because the exclusive remedy for any such unauthorized use of a patented invention is the award of compensation pursuant to 28 U.S.C. § 1498(a). However, in the formulation of any injunction, it is imperative that some mechanism be incorporated that permits continuity of the federal government's use of BlackBerry™ devices and establishes some procedure for identifying those devices that lie outside the scope of any injunction entered in this action.

As also set forth below, the federal government may have a further interest in this case to the extent that it is vital for it to be able to communicate in real-time with private parties, including government contractors, through BlackBerry™ devices. The government is currently assessing the extent of its interest in such communications, and the extent to which the public interest would be impaired by the award of any injunctive relief to NTP.

II. STATEMENT OF THE CASE

This is a private patent infringement action filed by NTP, Inc. (NTP) against Research in Motion, Ltd. (RIM). At issue currently is the infringement of five patents relating to electronic mail transmission. On August 2, 2005, the Federal Circuit, in a revision of an earlier opinion, affirmed this Court's claim constructions, except for that of a limitation relating to an "originating processor," vacated this Court's decision and remanded for further proceedings to take into account the modified claim construction. *NTP, Inc. v. Research in Motion, Ltd.*, No. 03-1615, slip op. at 48 (decided August 2, 2005). It further held that none of the process claims could be infringed by the operation of the RIM system because one of the steps claimed to correspond to a limitation of those claims occurred outside of United States territory. It, however, affirmed this Court's decision that claims drawn to a system could be held infringed despite the fact that a relay

station was located in Canada. *Id.* at 73. The mandate was issued on October 21, 2005.

III. ANALYSIS

A. Any Injunction Must Provide A Workable Procedure For Ensuring That Government Users Are Able To Continue To Use BlackBerry™ Devices And Products

Pursuant to 35 U.S.C. § 283, a district court "*may grant* injunctions in accordance with the principles of equity. . . ." (emphasis added). However, injunctive relief awarded in a private patent infringement suit does not prevent the manufacture or use of a patented invention by or for the government because the remedy against the government is strictly compensatory. *Trojan, Inc. v. Shat-R-Shield, Inc.*, 885 F.2d 854, 856-57 (Fed. Cir. 1989). Recognizing this, NTP has stated to the Federal Circuit:

> As a matter of law, injunctions cannot apply to the federal government—a legal point on which RIM has attempted to mislead the district court. As for state and local government, NTP unequivocably stated to the District Court that any issued injunction would not apply to such users.

NTP's Response in Opposition to RIM's Motion to Stay Issuance of the Mandate Pending Filing and Disposition of Petition for Writ of Certiorari, filed October 18, 2005, at 12 n.2.[2] Indeed, in NTP's Proposed Scheduling Order, filed November 1, 2005, it stated that it will propose an injunction with exceptions for federal, state and local governments, as well as first responders, such as the American Red Cross. *Id.* at 5.

---

[2] State governments enjoy an Eleventh Amendment immunity from patent infringement actions in federal courts. *Florida Prepaid Postsecondary Educational Expense Board v. College Savings Bank*, 527 U.S. 627 (1999).

Despite NTP's concession, there appear to be significant issues with the manner in which any injunction is phrased, or directly making, using, offering and implemented. The previously entered injunction broadly enjoined "RIM . . . and all those in active concert or participation with RIM. . . .from indirectly to sell, or selling within the United States or importing into the United States" a number of BlackBerry™ handheld devices, along with the Corporate, ISP and Desktop versions of its Redirector software, as well as offering wireless e-mail service on any of three networks, including the GPRS network. Final Order, entered August 5, 2003, at ¶ 3a. The language of this injunction would literally prohibit RIM from providing the services that would be essential for the federal government, as well as state and local governments, to continue their use of the BlackBerry™ devices. That would amount to a *de facto* injunction against the government's use of BlackBerries, contrary to the *Trojan* decision.

Moreover, there does not appear to be a simple manner in which RIM can identify which users of BlackBerries are part of the federal government, so that e-mail directed to them can be relayed through the BlackBerry™ system. First, according to RIM, it does not maintain a listing of e-mail addresses associated with government users, so that one might attempt to segregate addresses that end in .gov or .mil. (Dec. Of Clark, Ex. A at pp. 2-3).[3] Rather, RIM relies upon a PIN (Personal Identification Number) as a means of uniquely identifying every BlackBerry™ device. Thus, there is no simple way in which federal government users can be easily identified to assure that their service is not being cut off along

[3] The declaration of David Clark, Director of BES Technology at RIM, which includes a Memorandum describing the information used in relaying e-mail transmissions to and from BlackBerry™ devices, is attached hereto as Exhibit 1. Defendant has attached a .pdf version of this declaration bearing the signature of David Clark, and respectfully requests leave to substitute the original signed copy of the declaration once it is received.

with commercial users. The same would apply to state and local governments, and any other authorized users.

One possibility for implementing the exception for federal government users recognized by NTP, and mandated by case law, would be to develop a database containing a "whitelist" of devices used by the federal government, as well as any other users who are excepted from the scope of any injunction. This raises some substantial challenges that cannot be instantly surmounted. In order to be useful, and to avoid inaccuracies in transferring information, any whitelist should take the form of an electronic database. This requires some determination to be made by RIM and government users as to the appropriate format in which to provide this information so that it can be incorporated into a usable database maintained by RIM. Next, the particular government entities who are authorized to transmit this information must be identified to avoid duplicate, and possibly inaccurate, data from being transmitted by multiple government offices or employees. (See, Dec. Of Clark, Ex. A at p. 4). Additionally, there would probably have to be a procedure for each agency to certify to this Court that it has transmitted a list of PINs and associated information that represents devices that are being used by the federal government, in order to provide a mechanism for assuring that RIM did not overstep the bounds of any injunction in implementing a whitelist.

After some decision is made as to a proper format, and authorization process, for providing whitelist information to RIM, each federal agency would need to compile an electronic list of the PINs and associated information for each BlackBerry™ used by its employees in their official capacity. Since the federal government does not maintain any central agency for purchasing and deploying BlackBerry™ devices, the procedure for supplying information to identify government-owned BlackBerry™ devices may require a time-consuming inventory of every agency within the federal govern-

ment, including the legislative branch and the judicial branch, in order to assure that service to those devices is not terminated as part of any injunction.[4] We are presently assessing the scope of the burden, and amount of time, that would be required.

Finally, RIM would need to incorporate this information into its database, so that the federal government's communications, which include a raft of time-sensitive official communications, are not disrupted by any injunction. This procedure would become more complicated, and prone to error, when state and local government users, essential government contractors, and Non-Governmental Organizations, such as the American Red Cross, are added to the whitelist of authorized users.

Thus, the government has a substantial interest in assuring that the terms of any injunction awarded to NTP incorporate a reasonable procedure to permit identification of government users so that the federal government's right to continue its use of BlackBerry™ devices is not rendered a nullity.

It is further worth noting that the five patents involved here are all undergoing reexamination by the Patent and Trademark Office (PTO). Given the potential complexity and expense involved in inventorying the government's BlackBerry™ devices, it may make sense to stay any consideration of the reimposition of the injunction for at least 90 days, during which time the PTO may issue a final decision regarding the re-examination. This would permit the government to undertake a government-wide inquiry to determine the fea-

---

[4] After recognizing that BlackBerry™ devices permitted emergency communications during times when other communications systems were inoperative, Congress issued them to every member. *See* Congressional Research Service, *Congressional Continuity of Operations (COOP): An Overview of Concepts and Challenges* CRS-7 to CRS-8 (updated February 3, 2004).

sibility, expense and time requirements of providing the information required for a whitelist of users who are not subject to any injunction, by NTP's own admission.

There may also be a substantial public interest that would be impaired by enjoining commercial use of BlackBerry™ devices. The government needs additional time, however, to assess such further public interest. Staying consideration of reimposition of any injunction for 90 days would permit the government to consider such additional public interest.[5]

III. CONCLUSION

The United States has a considerable interest in this action, to assure that its use of BlackBerry™ devices and software, which falls outside of the scope of any injunction that may be entered by this Court, is not impeded and that the public interest is not substantially harmed by any injunctive relief. In order to protect that interest, the government asks that it be served with copies of all filings in this case bearing on any injunctive relief, and that it be permitted to present evidence and arguments, and make further filings directed toward that issue.

DATED this ___ day of November, 2005.

Respectfully submitted,

PAUL J. McNULTY
UNITED STATES ATTORNEY

/s/ ROBERT P. MCINTOSH
Robert P. McIntosh
Assistant United States Attorney
Virginia Bar No. 66113

---

[5] For example, it is quite possible that there is a strong public interest in being able to convey health or public emergency warnings to non-governmental users who have BlackBerry™ devices, and can take immediate action in response to such information.

600 East Main Street, Suite 1800
Richmond, Virginia 23219
Telephone: (804) 819-7404
Facsimile: (804) 819-7417

PETER D. KEISLER
Assistant Attorney General
Civil Division

/s/ JOHN FARGO
John Fargo
New York Bar No. 2986966
Director
Commercial Litigation Branch
Civil Division
Department of Justice
Washington, DC 20530
Tel: (202) 514-7223
Fax: (202) 307-0345

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

Case Number 3:01CV767

NTP, INC.,

Plaintiff,

v.

RESEARCH IN MOTION, LTD.,

Defendant.

Judge James R. Spencer

DECLARATION OF DAVID CLARK ADOPTING BLACKBERRY WHITE-LISTING MEMORANDUM

I, David Clark, hereby declare:

1. I am employed by Research In Motion, Ltd. ("RIM") in the capacity of Director, BES Technology. I have a Ph.D. in Computer Science from the University of Waterloo and a B.Sc., combined Honours, Mathematics and Computer Science from the University of Victoria. I have been employed at RIM for five and one-half years.

2. In my capacity as Director, BES Technology, I am fully knowledgeable of the manner in which the BlackBerry systems and system hardware and software function, including the manner in which messages are transmitted through the systems and the manner in which the identity of users can be determined.

3. I have prepared a description of the information that is available to RIM about its end-customers. This memo is at-

tached hereto and made a part hereof as "Exhibit A" as if fully incorporated herein. The memo consists of six numbered pages the fifth of which is identified as "Appendix A".

4. The memo discusses the technical issues that would surround the creation of a "white list" of BlackBerry users who would be authorized to continue operation in the face of a possible court injunction blocking operation of BlackBerry service in the United States to other users.

I declare under the penalty of perjury under the laws of the United States that the foregoing is true and correct. Executed on November 8, 2005.

/s/ DAVID CLARK
David Clark

EXHIBIT A

BlackBerry White-Listing

This memo summarizes the information provided to RIM about its end-customers. In addition, it discusses technical issues surrounding the creation of a "white list" of BlackBerry users authorized for continued operation in the face of a possible court injunction blocking operation of the BlackBerry service in the U.S.A.

Identity Information Passed to Research In Motion

Research In Motion obtains device and BES information through several paths:

1. Handheld Provisioning by the Carrier,
2. Handheld Contact with RIM's Network Operations Center (NOC),
3. BES connection with RIM's NOC,
4. Contact Centre interactions, and
5. Email/Data transmissions.

In each case, insufficient information is passed to Research In Motion to allow reliable and authenticated determination of the end customer or organization.

Handheld Provisioning by the Carrier

When authorizing RIM to bill the carrier for providing BlackBerry service to a handheld, the carrier provides some of the following pieces of information

- Handheld PIN,
- Handheld IMEI (GSM, IDEN) or ESN (CDMA),
- Subscription Information (IMSI, ICCID, and possibly MSISDN), and
- Service types (BES, BIS, Paging, Browsing, . . .).

The exact information provided varies by carrier. Note that the subscription information does not identify the subscriber to RIM but instead refers to a relationship the carrier maintains with the customer. For GSM, the values are associated with the "smart card" supplied to a user by the carrier to activate a phone (SIM). RIM uses this information to determine which carrier has agreed to pay for providing BlackBerry service to a handheld. Carriers and their resellers do not provide RIM with the identity of their customers as part of the provisioning process.

Handheld Contact with RIM's NOC

BlackBerry contacts RIM's NOC upon its first roaming on to a carrier in order to download configuration information relevant to that carrier. During this "registration" process, it transfers the following information:

- Home Network Provider Code (network type and carrier identity),
- Active Network Provider Code (network type and carrier identity),
- Carrier subscription information (IMSI, ICCID, MSISDN (phone number) - if known, EFGIDl&2 if applicable),
- Handheld information (type, PIN, IMEI or ESN),
- Software version information (OS/Platform version, Applications version),
- Under Version 4 registration, encryption key to be used for later authentication challenges, and
- SRP IDs of any routable services on the device, including indication of desktop redirector use.

This information is used by RIM to verify the billing relationship and determine the correct configuration to download.

The information included here is not sufficient for RIM to identify the actual end-user or their organizational affiliations.

So long as the BlackBerry maintains its connection to the Relay no additional identifying information is given to RIM; however, when a new connection is established or key items change the registration information may be re-sent.

BES connection with RIM's NOC

When the BlackBerry Enterprise Server connects to RIM's NOC, it transfers the following information

- SRP ID and code (authorization for BES use)
- BES version information
- Underlying mail service type
- Reconnection reason (connection loss, crash, machine reboot . . .)

The source IP address of the connection is also carried in these transactions at the IP layer. At this time, the BES does not supply user identity information to the NOC.

Contact Centre Interactions

RIM's contact center/technical support groups will obtain contact information for those customers with which it has a relationship. For customers with a paid-support contract this information will include BES SRP ID information.

Email/Data Transmissions

Finally, the following information is passed in the unencrypted portion of the email payload that passes through RIM's NOC:

1) The SRP ID of the BES
2) The PIN of the BlackBerry
3) A code that indicates the type of message in the packet

4) Encryption identification and headers for decryption

5) Transaction number

The IP addresses of both endpoints (NOC components and handheld) are also carried at the IP layer. Note that the IP address of the handheld is a private IP address only valid in the context of the particular carrier connection to RIM and is only valid for a period of time. A more detailed overview of the information flow for email is contained in Appendix A.

NOC Support for a White List

RIM authorizes and tracks its service on the basis of two unique identifiers

- SRP ID for the BES
- PIN for the handheld

While other device identifiers are available, they are generally translated to the PIN for service management.

Therefore any white list would need to consist of a list of SRP IDs and a list of PINs for those endpoints authorized to continue to receive BlackBerry service. If an injunction was issued and a white list of users excluded from its effect is to be supported, RIM would need to create mechanisms to abide by the injunction but still allow the white-listed servers and handhelds to operate. In addition, efforts would have to be taken to ensure that, to the extent possible, devices not located in the United States would not be incidentally turned off since they would not be subject to any injunction.

RIM is not in a position at this time to supply a committed schedule to perform the analysis and work needed to exclude a specified white list of users from the affect of an injunction should one issue. This would require the establishment of a model under which all traffic from all devices in the United States other than those included a white list is blocked. RIM is continuing to evaluate the alternatives and associated de-

sign risks and will provide additional information as it becomes available. RIM believes that much of the implementation effort could be conducted in parallel with the efforts of any white listed organizations to provide RIM with the white lists. Once the development work is completed, at least an additional two to three weeks would be required for testing and deployment. Deployment would include both enabling the changes at RIM as well as any changes required at the customer sites. However, having said all this it is important to note that RIM is not currently in a position to comment on the commercial viability, either short or longer term, of RIM or the carriers continuing to providing service and support in the United States for a drastically reduced customer base.

Determining Authorized Users

Any white list for BES and handhelds would be defined on an organizational basis. There is currently no reliable organizational or personal information available to Research In Motion on which to base the construction of the white list. Therefore, any such process would require the creation of new systems for the collection and maintenance of the white list. If the court were to authorize certain organizations to continue receiving BlackBerry service, those organizations would be expected to gather the SRP IDs and PINs for their servers. These organizations would be required to aggregate this information (with appropriate authorizations) and provide the resulting white list to RIM. It is not currently clear how RIM would manage the ongoing receipt of information from what may end up being thousands of independent agencies with varying levels of technical expertise and sophistication. At minimum, RIM would need to develop an electronic data interchange system to facilitate the initial transfer and ongoing maintenance of these records.

In addition, it is not sufficient to just gather the initial information. Whatever processes are put in place must be adequate

to handle the timely addition of new handhelds and the removal of handhelds no longer under authorized use.

Based on NTP's comments to date, it would appear that information would have to be gathered from the following groups:

- Federal government agencies
- Authorized government contractors
- State government agencies,
- Municipal employers including emergency services, and
- Certain NGO employers.

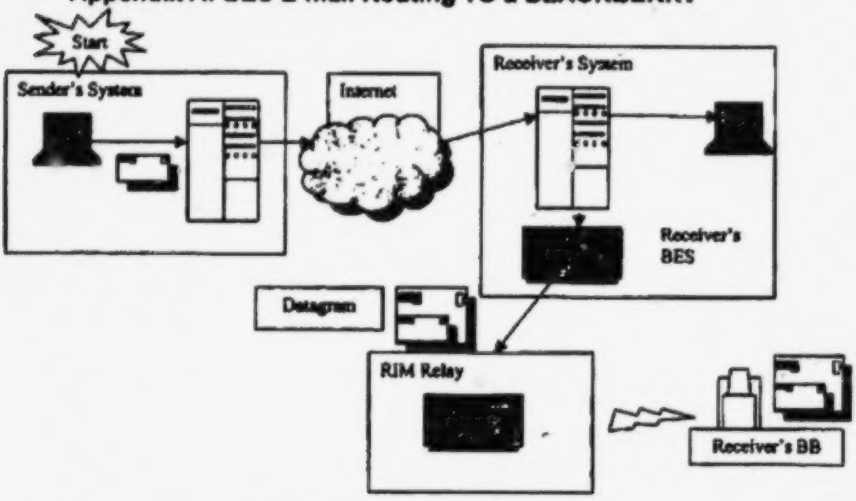
The scope included by 'government' is not clear at this time. RIM is not able to state the volume of PINs that would need to be collected but currently estimates that there are between 50,000 and 200,000 PINs associated with government users. The number of BES is also unknown at this time but likely exceeds 1000 based on the estimates of the number of users. Clearly the amount of information gathered and the coordination required will increase as the number of authorized organizations increases. There would also have to be processes in place to ensure that RIM had the assurances it requires that the PINs it is provided with are associated with devices allocated to white listed users.

If the government wishes to explore the feasibility of this framework further, we recommend that the government explore the following requirements:

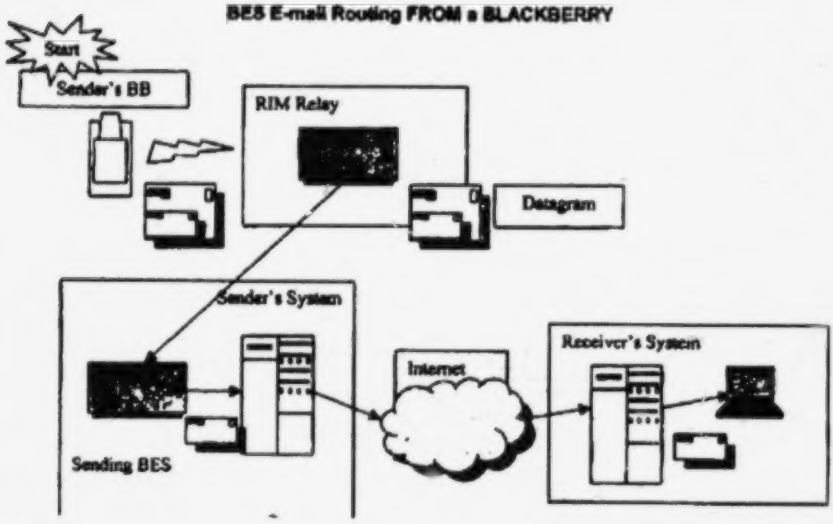
- Finalization of the definition of the government agencies, employees and contractors it wishes exempted from any injunction
- Creation of a central database of authorized administrators and authentication information

- Creation of tools for those administrators to maintain a list of BES and handhelds at the central site for each of their BES (RIM may be able to provide advice on setting up these processes)
- Setting up processes to upload the white listed BES and handhelds to RIM on an ongoing basis.

Appendix A: BES E-mail Routing TO a BLACKBERRY



BES E-mail Routing FROM a BLACKBERRY



BES e-mail routing to a BlackBerry

The first contact with Relay is through the Receiver's BES.

When the e-mail first hits the Receiver's BES the BES looks up the receiver's PIN. The email is compressed and encrypted by the BES. A RIM header is added and it contains the following unencrypted information (as well as some non-material data):

1) The SRP ID of the receiver's BES
2) The PIN of the receiver's BB
3) A code that indicates the type of message in the packet
4) Encryption identification and headers for decryption
5) Transaction number

The Relay can extract information from only the headers due to the encryption of the actual email message data.

BES e-mail routing from a BlackBerry

The first contact with the Relay is through Sender's Black-Berry.

The e-mail is generated on the sender's BlackBerry. Before transmitting the e-mail, the sender's Blac[illegible]erry comp[illegible]sses and encrypts the email. A RIM header is added and it contains the following unencrypted information:

1) The SRP ID of the sending BES (ie. the BES associated with the device)
2) The PIN of the sending device
3) A code that indicates the type of message in the packet
4) Encryption identification and headers for decryption
5) Transaction number

This information is transmitted by UDP/IP to the Relay. The IP routing protocols includes the source IP address. As such,

it is possible to obtain an IP address for the BlackBerry. Such an IP address is, in general, only valid within the context of the specific Relay connection to the carrier. This is a private IP address for the device which is temporarily and randomly assigned for a given connection. From it, RIM can deduce no user information beyond what is already set out herein

The Relay can extract information from only the headers due to the encryption of the actual email message data.

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

[Filed Nov. 30, 2005]

Civil Action Number 3:01CV767-JRS

NTP, INC.,

Plaintiff,

v.

RESEARCH IN MOTION, LTD.,

Defendant.

ORDER

THIS MATTER comes before the Court on Research in Motion Ltd's ("RIM") Motion for Enforcement of a Settlement Agreement. The Court finds the parties do not have a valid and enforceable settlement agreement. In accordance with the Memorandum Opinion submitted by the Court under seal, RIM's Motion to Enforce the Parties' Settlement Agreement is DENIED.

The Court retains Article III jurisdiction in the matter and will be in communication with the parties to set up a briefing schedule and hearing date on the remaining issues of injunctive relief and appropriate damages in light of the remand from the United States Court of Appeals for the Federal Circuit.

The Clerk is directed to fax a copy of this Order to counsel of record.

It is SO ORDERED.

ENTERED this 30th day of November, 2005

/s/ James R. Spencer
JAMES R. SPENCER
UNITED STATES DISTRICT JUDGE

No. 05-763

FILED
DEC 23 2005
OFFICE OF THE CLERK
SUPREME COURT, U.S.

IN THE

Supreme Court of the United States

RESEARCH IN MOTION, LTD.,

Petitioner,

v.

NTP, INC.,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF IN OPPOSITION

BERT W. REIN
Counsel of Record
JAMES H. WALLACE, JR.
JOHN B. WYSS
KATHRYN COMERFORD TODD
ANDREW G. MCBRIDE
KEVIN P. ANDERSON
WILEY REIN & FIELDING LLP
1776 K Street, N.W.
Washington, D.C. 20006
(202) 719-7000

Attorneys for Respondent

December 23, 2005

198581

COUNSEL PRESS
(800) 274-3321 • (800) 359-6859

COUNTER STATEMENT OF QUESTION PRESENTED

Whether a unanimous panel of the Federal Circuit, applying well-settled principles of patent law, properly determined that an infringer's decision to locate one internal component of the infringing BlackBerry system outside of the United States did not preclude a finding that RIM's American customers "use" the patented system "within the United States" under 35 U.S.C. § 271(a).

RULE 29.6 DISCLOSURE

NTP is a closely held corporation. There is no parent and no publicly held corporation owns 10% or more of NTP's stock.

TABLE OF CONTENTS

	Page
COUNTER STATEMENT OF QUESTION PRESENTED	i
RULE 29.6 DISCLOSURE	ii
TABLE OF CONTENTS	iii
TABLE OF CITED AUTHORITIES	vii
TABLE OF APPENDICES	x
JURISDICTION	1
INTRODUCTION AND SUMMARY OF REASONS TO DENY THE PETITION	1
STATEMENT OF THE CASE	2
A. Legal and Factual Background	2
1. The Campana Patents	3
2. The Infringing BlackBerry System in the United States	4
3. The Comprehensive Scope of Section 271	5
B. Proceedings Below	7
1. NTP's Victory in the District Court	7
2. NTP's Victory in the Federal Circuit	8

Contents

Page

3. The Ongoing Proceedings in the District Court 10

REASONS FOR DENYING THE PETITION 11

I. The Federal Circuit Did Not Err in Applying Well-Established Precedent to the Facts of this Case. 11

A. The Federal Circuit Properly Read the Statute and Applied Long-Standing Precedent to the Facts of this Case. ... 11

1. The Only Issue Arguably Preserved on Appeal and Presented in RIM's Petition Is Whether RIM's American Customers Use the BlackBerry System Within the United States. 12

2. The Federal Circuit Properly Construed the Term "Use" Consistent with its Plain Meaning and this Court's Precedent. 12

3. The Federal Circuit Properly Applied the Established Legal Understanding of the Term "Use" to the Facts of this Case. 15

B. None of RIM's Oblique Attacks on the Federal Circuit's Reasoning Is Persuasive. 16

C. The Federal Circuit's Decision Raises No Separation of Power Concerns. ... 20

Contents

		Page
II.	Contrary to RIM's Suggestion, It Is a *Reversal* of the Federal Circuit's Decision that Would Wreak Havoc on Existing Patents for Computer-Based Systems and Undermine International Patent Treaties.	21
	A. RIM's Position Would Gut The Effectiveness of U.S. Patent Law.	22
	B. It Is RIM's Flawed Reading of the Statute that Would Conflict with International Law.	23
III.	This Case Is a Poor Vehicle for this Court's Review of the Question Presented.	24
	A. RIM *Continues To Contend* that this Court Lacks Jurisdiction To Hear this Case.	24
	B. The Question Presented Does Not Apply to the Facts of this Case.	25
	C. Even if the Decision Below Were Read To Break Some New Legal Ground, Review Should Await Further Examination of These Issues by the Federal Circuit and the Federal District Courts.	27
	D. RIM Has Changed Its Position Throughout this Litigation and Presents Newly Minted Legal Arguments to this Court.	27

Contents

	Page
E. There Are Numerous Alternative Grounds for Affirmance of the Federal Circuit's Decision.	29
F. The District Court Can Proceed To Grant NTP Relief without regard to the Resolution of the Section 271(a) Issue.	29
CONCLUSION	30

TABLE OF CITED AUTHORITIES

CASES

Page

Barthuli v. Board of Trustees,
434 U.S. 1337 (1977) 25

Bauer & Cie v. O'Donnell,
229 U.S. 1 (1913) 13

Bennett v. Spear,
520 U.S. 154 (1997) 18

Decca Ltd. v. United States,
454 U.S. 819 (1981) 26

Decca Ltd. v. United States,
544 F.2d 1070 (Ct. Cl. 1976) .....*passim*

Deepsouth Packing Co. v. Latraim Corp.,
406 U.S. 518 (1972) .....*passim*

EEOC v. Arabian America Oil Co.,
499 U.S. 244 (1991) 20

Foley Brothers, Inc. v. Filardo,
336 U.S. 281 (1949) 20

Herman & MacLean v. Huddleston,
459 U.S. 375 (1983) 21

Menashe Business Mercantile, Ltd. v. William Hill Organization, Ltd., [2002] EWCA Civ 1702, [2003] All E.R. 279 (C.A. 2002) 23, 24

NTP v. Research in Motion, Ltd,
270 F. Supp. 2d 751 (E.D. Va. 2003) 28

Cited Authorities

Page

NTP, Inc. v. Research In Motion, Ltd.,
392 F.3d 1336 (Fed. Cir. 2004) 8, 9, 10

NTP, Inc. v. Research In Motion, Ltd.,
418 F.3d 1282 (Fed. Cir. 2005) ..... *passim*

Roche Products, Inc. v. Bolar Pharmaceutical Co.,
733 F.2d 858 (Fed. Cir. 1984) 6

Warner-Jenkinson Co. v. Hilton Davis Chemical Co.,
520 U.S. 17 (1997) 27

DOCKETED CASES

eBay, Inc. v. MercExchange, L.L.C.,
No. 05-130 (U.S. Nov. 28, 2005) 30

NTP, Inc. v. Research in Motion, Ltd.,
No. 3:01CV767 (E.D. Va. Aug. 5, 2003) 7, 8

NTP, Inc. v. Research in Motion, Ltd.,
No. 3:01CV767 (E.D. Va. Dec. 16, 2005) 10

CONSTITUTION AND FEDERAL STATUTES

U.S. Const. art. I, § 8 6

28 U.S.C. § 1498 19

35 U.S.C. § 271 ..... *passim*

Cited Authorities

Page

LEGISLATIVE MATERIALS

H.R. Rep. No. 101-960 (1990) 21

S. Rep. No. 101-266 (1990) 21

MISCELLANEOUS

Br. of Amicus Curiae Government of Canada, *NTP, Inc. v. Research In Motion, Ltd.*, No. 03-1615 (Fed. Cir. Aug. 16, 2005) 24

Br. of Amicus Curiae Microsoft Corp., *NTP, Inc. v. Research In Motion, Ltd.*, No. 03-1615 (Fed. Cir. Aug. 24, 2005) 22

U.S. Patent No. 5,436,960 Patent, col. 18, ll. 32-39 4

TABLE OF APPENDICES

Page

Appendix A – Motion By Research In Motion To Stay Appeal And Remand For Enforcement Of Settlement Agreement Dated June 8, 2005 ..... 1a

Appendix B – Research In Motion's Reply Supporting Its Motion To Stay Appeal And Remand For Enforcement Of Settlement Agreement Dated June 13, 2005 ..... 10a

Appendix C – Facsimile From James H. Wallace, Jr. Of Wiley Rein & Fielding LLP Dated December 14, 2005 ..... 24a

Appendix D – Order Of The United States District Court For The Eastern District Of Virginia, Richmond Division Filed December 16, 2005 ... 26a

JURISDICTION

NTP believes that this Court has jurisdiction on the ground recited in RIM's petition. Pet. 1. Nonetheless, NTP alerts this Court that RIM has not abandoned its contention, argued in numerous filings in the lower courts, that this case has been mooted by settlement so that *no federal court has jurisdiction over this matter. See infra* Part III.A.

INTRODUCTION AND SUMMARY OF REASONS TO DENY THE PETITION

Petitioner RIM, an adjudged and affirmed infringer of NTP's patents, seeks *certiorari* by attempting to mischaracterize the Federal Circuit's straightforward application of the well-established concept of "use" under §271(a) of Title 35 to the actual facts of this case. As RIM poses its question presented, this case supposedly involves novel issues relating to the "Internet" and a "global telecommunications system." In fact, the patent claims at issue make no reference to the internet, and the only "use" actually adjudicated was the use of RIM's BlackBerry system by RIM customers in the United States to transmit messages between email systems in the United States and BlackBerry handhelds in the United States over radio frequency ("RF") broadcast facilities located in the United States.

RIM's choice of internet transmission to connect two internal components of the patented Campana system and RIM's business decision to make its BlackBerry system available for use in other countries are extraneous to the patent claims at issue. These business decisions should not be used to misportray a settled application of patent law to the use and commercial exploitation of patented technology within the United States as a novel extension of patent jurisdiction. RIM's desire to have this Court legislate a jurisdictional loophole for infringers who choose to displace a single component of an integrated patented system outside the United States, while obtaining full economic benefit from making the system's utility available in the United States to customers who send and receive email messages entirely within the United States, presents no valid reason for review.

Moreover, there are myriad reasons why, even if a transnational jurisdictional issue were otherwise worthy of this Court's review, this case is a poor vehicle. Chief among these is an unresolved jurisdictional issue wherein RIM itself has taken, and has not disavowed, the position that this case is moot so that *no federal court has jurisdiction over this matter.* Additionally, a decision on the narrow question presented in this case, at this time, would not control its ultimate resolution. Because the facts of this case present none of the complications RIM believes makes the question it raises worthy of this Court's review, the proper course is to address these issues only if the Federal Circuit, applying long-standing circuit precedent that has been reaffirmed by Congress, is unable to resolve such speculative complications in the future.

STATEMENT OF THE CASE

A. Legal and Factual Background

Every day, as RIM touts to this Court, thousands of RIM BlackBerry customers within the United States, ranging from individuals to business entities of all sizes and state, local, and federal governments, use BlackBerry wireless devices and software to receive, view, and process email messages. RIM did not appeal the jury's finding that "its customers use, *i.e.*, put into service, the systems and methods for transmitting email messages." *NTP, Inc. v. Research In Motion, Ltd.*, 418 F.3d 1282, 1314 (Fed. Cir. 2005) ("*NTP III*"), Pet. 51a. Nor does RIM dispute before this Court that its systems fall within the claims of a number of NTP patents. RIM's sole contention is that use of the systems by its American customers does not take place "within the United States" so that 35 U.S.C. § 271(a) does not apply to customer use.[1] RIM has not appealed the ruling that, given customer use "within the United States," it was properly held liable for contributory infringement and inducement.

Stripped of its rhetoric and inapposite references to the "Internet" and "global systems," RIM's position is that the displacement of one internal component of the Campana

[1] Because the Federal Circuit determined that RIM's American customers use the infringing system within the United States, it did not need to reach any of the jury's alternative grounds for finding infringement. *See infra* Part III.E.

patented system[2] outside the United States renders the entire system incapable of being used "within the United States," regardless of where and by whom the relevant email messages are originated and received or where the use of the system is initiated. To state RIM's proposition clearly is the best demonstration of how it distorts the plain language of 35 U.S.C. § 271(a). Only RIM could conceive of the notion that its system could be used by customers to send and receive domestic messages in many countries around the world but not be used "within" any of them.

1. The Campana Patents

In 1990, long before the term "internet" entered the public lexicon, Thomas Campana, the lead inventor at NTP, developed and subsequently patented a system for transmitting and receiving messages received by electronic mail systems wirelessly, through radio frequency ("RF") networks. As was undisputed at trial, Campana had a fully functional nationwide system for delivery of wireless email by 1991. Campana was a pioneer in the wireless data field, with over 50 patents to his credit. The inventions at issue were based on a patented data messaging system that he had developed in the 1980s, which delivered data (such as paging and stock quotes) to recipients as the data became available, without requiring that the user request updates or take any action whatsoever. In modern parlance, this data system "pushed" information to its recipients, rather than forcing the recipients to "dial-in" and "pull" information from the information source.

In the patents at issue here, Campana's pioneering contribution was to devise a system that allows electronic mail messages to be pushed from an email system in real time to

---

[2] In a transparent attempt to magnify the importance of this single piece of the integrated BlackBerry system, RIM minted a new "Network Control Center" appellation for the "Relay" on appeal, Pet. 4 n.1, but that which we call a Relay by any other name performs the same limited function in the patented system. For the purposes of this litigation, no matter what other "super-intelligent" abilities are incorporated into the Relay, *id.* at 4, the only relevant issue is that the Relay serves the function of the "interface" or "interface switch" limitation described in certain claims in certain of the Campana patents. *NTP III*, Pet. 50a.

an interface with RF networks from which the messages are delivered wirelessly to the recipients. Prior to Campana's innovation, electronic mail systems and wireless messaging systems both existed, but were not integrated. To receive electronic mail, a user had to either sit at a terminal that was physically connected to a data network or dial in to a data network using a portable computer, a modem, and a telephone line. This made accessing electronic mail outside of the office environment difficult, inconvenient, and time-consuming. The user also could go through the inconvenience of logging in to the network only to find that she had no new messages. *NTP III*, Pet. 4a-5a.

Campana's patent thus described a novel system:

> The present invention provides an integration of an electronic mail system with a RF information transmission network for transmitting electronic mail originating at processors either within or outside an electronic mail system by RF communication to at least one destination processor within an electronic mail system by an RF receiver which relays the information to the destination processor . . . .

U.S. Patent No. 5,436,960, col. 18, ll. 32-39. As the Federal Circuit explained, the Campana invention allows "[a] message originating in an electronic mail system [to] be transmitted not only by wireline but also via RF, in which case it is received by the user and stored in his or her mobile RF receiver." *NTP III*, Pet. 6a. The Campana system architecture is a significant step forward, because it allows the user to keep track of electronic mail messages without requiring the user to log in to her email system. *Id.*

2. The Infringing BlackBerry System in the United States

Petitioner RIM markets the infringing BlackBerry system to numerous consumers in the United States. While RIM also markets the BlackBerry system to users outside the United States, this activity is not covered by NTP's complaint and is not part of this suit.

RIM's efforts to sell the infringing system in the United States have been very successful. *See* Pet. 6-7. RIM's boast that the "BlackBerry system has become part of the nation's critical communications infrastructure . . . not only for everyday use, but also in times of crisis," *id.* at 7, is both difficult to reconcile with RIM's position that no "use" occurs within the United States and confirms the commercial success of Campana's innovative marriage of electronic mail with wireless access conceived in 1990.

The infringing BlackBerry system comprises "(1) the BlackBerry handheld unit (also referred to as the 'BlackBerry Pager'); (2) email redirector software (such as the BlackBerry Enterprise Server ('BES'), the Desktop Redirector, or the Internet Redirector); and (3) access to a nationwide wireless network (such as Mobitex, DataTAC, or GPRS)." *NTP III*, Pet. 6a-7a. The function of each component is described in the Federal Circuit's decision. *Id.* at 6a-8a. In brief, the redirector software "merges seamlessly with the user's existing email system," *id.* at 7a, with no modification required. Exactly where this integration takes place depends on the specific redirector software ordered by the customer. Each suite of redirector software, however, accomplishes the same goal—a message coming in to the user's electronic mail box on the user's existing electronic mail system is cloned and then sent "through the BlackBerry Relay, where it is translated and routed from the processors in the user's email system to a partner wireless network." *Id.* at 8a. That RF network "delivers the message to the user's BlackBerry handheld, and the user is notified virtually instantly of new email messages." *Id.* (quotation omitted). In the infringing system, only the Relay is located outside of the United States; it is undisputed that for American customers, the user's electronic mail system, the redirector software, the "nationwide wireless network," the user's handheld device, and the user herself are all in the United States.

3. The Comprehensive Scope of Section 271

Pursuant to its express Constitutional authority "[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the

exclusive Right to their respective Writings and Discoveries," U.S. Const. art. I, § 8, Congress has defined a broad set of infringing acts. 35 U.S.C. § 271. The most basic form of liability, direct infringement, is set forth in Section 271(a), which provides that "whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent" is an infringer. *Id.* § 271(a). "It is beyond argument," that the activities identified in subsection (a) are independent and thus "that performance of only *one* of the [now five] enumerated activities is patent infringement." *Roche Prods., Inc. v. Bolar Pharm. Co.*, 733 F.2d 858, 861 (Fed. Cir. 1984).

Sections 271(b) and (c) broaden the scope of who may be liable for the infringement defined in Section 271(a) to "[w]hoever actively induces infringement," 35 U.S.C. § 271(b), and to anyone who imports, sells, or offers to sell within the United States certain non-staple items for use in a patented machine or process, *id.* § 271(c). Section 271(f) imposes liability upon parties who supply components of a patented invention in or from the United States where such components either induce the production of a patented invention or are non-staple goods for use in a patented invention. *Id.* § 271(f). Finally, Section 271(g) imposes liability on anyone who imports, sells, offers to sell, or uses within the United States the product of a process patented in the United States, even if the process is conducted wholly outside the United States. *Id.* § 271(g).

Congress has thereby swept into Section 271 every way in which someone might try to exploit a patented invention in the United States without being licensed to do so. Indeed, Congress has consistently sought to exercise its full power to meet the constitutional command that it secure to inventors the exclusive right to their discoveries. Thus, where judicial decisions have suggested "loopholes" that might allow creative infringers to dodge the application of U.S. patent law, Congress has traditionally acted to fill those gaps. For example, Section 271(f)'s clear bar on supplying components that would be used to make an invention outside the United States responded to this Court's *Deepsouth* decision, which held that supplying in the United States all of the parts necessary to

construct a patented invention did not constitute "mak[ing]" the device within the United States when the actual assembly of those parts occurred outside the Nation's borders. *Deepsouth Packing Co. v. Latraim Corp.*, 406 U.S. 518, 528 (1972).

B. Proceedings Below

1. NTP's Victory in the District Court

NTP filed its complaint against RIM on November 13, 2001, in the U.S. District Court for the Eastern District of Virginia. The complaint alleged that RIM, and its American customers, infringed numerous claims of the patents-in-suit.[3]

The parties filed a series of summary judgment motions. *NTP III*, Pet. 9a. Of relevance to the issue RIM presents in its petition, RIM asked for summary judgment on the theory "that the physical location of the 'Relay' component of the BlackBerry system put RIM's allegedly infringing conduct outside the reach of 35 U.S.C. § 271." *Id.* Specifically, RIM argued "that it cannot be held liable for direct infringement under § 271(a) because it does not practice the entire patented process in the United States, and it does not assemble all of the components necessary for any of the patented systems in the United States." *NTP, Inc. v. Research in Motion, Ltd.*, No. 3:01CV767 (E.D. Va. Aug. 5, 2003) ("*NTP I*"), Pet. 147a. The district court denied all of RIM's summary judgment motions, including its claim that an extraterritorial component precluded a finding of "use" infringement. *Id.* at Pet. 149a; *see also NTP III*, Pet. 9a.[4]

The case went to trial on fourteen claims, all of which were submitted to the jury. *NTP III*, Pet. 10a. On November 21, 2002, the jury found in favor of NTP on each issue presented to it. In particular, the jury rejected every defense propounded by

---

[3] The "patents-in-suit" (or "Campana patents") are U.S. Patent Nos. 5,436,960 (the '960 Patent), 5,438,611 (the '611 Patent), 5,625,670 (the '670 Patent), 5,631,946 (the '946 Patent), 5,819,172 (the '172 Patent), 6,067,451 (the '451 Patent), and 6,317,592 (the '592 Patent).

[4] NTP asked the court for partial summary judgment of infringement on four claims of the patents-in-suit. The district court "granted summary judgment [as to the four claims], except as to the issue of infringement of claim 15 of the '960 patent and claim 248 of the '451 patent by the BlackBerry series 5810 handheld device," which issue was reserved for the jury. *NTP III*, Pet. 10a.

RIM, *id.* at 10a-11a, and "found direct, induced, and contributory infringement by RIM on all asserted claims of the patents-in-suit," *id.*, at 10a. The "jury also found that the infringement was willful." *Id.* The district court denied RIM's motions for judgment as a matter of law or for a new trial on May 23, 2003. *Id.* at 11a.

Later, on August 5, 2003, the district court entered final judgment in favor of NTP. The court awarded monetary damages in the total amount of $53,704,322.69, representing the following approximate amounts: (1) compensatory damages of $33 million; (2) attorneys' fees of $4 million; (3) prejudgment interest of $2 million; and (4) enhanced damages of $14 million. *NTP I*, Pet. 137a-38a (Final Order). The district court also granted NTP's motion for a permanent injunction enjoining RIM from making, using, offering to sell, or selling within the U.S. or importing into the U.S. any of the accused BlackBerry systems, software, and handhelds. *Id.* at 138a-39a. The district court stayed the injunction pending appeal. *Id.* at 140a.

2. NTP's Victory in the Federal Circuit

On December 14, 2004, the U.S. Court of Appeals for the Federal Circuit affirmed the district court's construction of all claim terms, with one exception not relevant here. *NTP, Inc. v. Research In Motion, Ltd.*, 392 F.3d 1336 (Fed. Cir. 2004) ("*NTP II*"), Pet. 79a. The unanimous panel also "conclude[d] that the district court correctly found infringement under 35 U.S.C. § 271(a), correctly denied RIM's motion for judgment as a matter of law . . . , and did not abuse its discretion in denying evidentiary motions," and remanded for further proceedings. *Id.* at 79a-80a.

As to the Section 271(a) issue specifically, the Federal Circuit properly recognized that "[t]he territorial reach of a patent right is limited, so that section 271(a) is only actionable against patent infringement that occurs within the United States." *Id.* at 124a-25a. It then explained that "[t]he plain language of section 271(a) does not preclude infringement where a system such as RIM's, alleged to infringe a system or method claim, is used within the United States even though a component of that system is physically located outside the

United States." *Id.* at 128a. "For th[at] reason[]," it went on, "we conclude that when two domestic users communicate via their BlackBerry devices, their use of the BlackBerry system occurs 'within the United States,' regardless of whether the messages exchanged between them may be transmitted outside of the United States at some point along their wireless journey." *Id.*

Relying on the Court of Claims' decision in *Decca Ltd. v. United States*, 544 F.2d 1070 (Ct. Cl. 1976), the Federal Circuit distinguished RIM's customers' infringement from that at issue in *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518 (1972). *NTP II*, Pet. 129a-31a. As in *Decca*, "'the *location* of the infringement," here RIM's customers' infringement, "is within United States territory, not abroad as in *Deepsouth*.'" *Id.* at 130a (quoting *Decca*, 544 F.2d at 1074). Because it affirmed the district court's decision under the "use" prong of Section 271(a), the court "d[id] not consider the parties' respective arguments under" subsection (f) or (g), or under the "sale" or "offering for sale" prongs of subsection (a). *Id.* at 125a.

On August 2, 2005, the Federal Circuit granted RIM's petition for panel rehearing "for the limited purpose of revising portions of the opinion treating Section 271." Pet. 76a. In its renewed lengthier discussion of the issue, the Federal Circuit *reaffirmed* that "*Deepsouth* did not address the issue" at bar and that its predecessor court's decision in *Decca* "provides a legal framework for analyzing this case." *NTP III*, Pet. 53a-54a. It also clarified that RIM's Section 271(a) argument did not affect six of the patent claims at issue in the case. *Id.* at 50a; *see infra* Part III.F. The Federal Circuit denied RIM's petition to hear the case *en banc*.

As it had previously, the Federal Circuit determined that RIM's customers' infringement of the patented BlackBerry system was legally indistinguishable from the United States' infringement of Decca's patented Omega satellite system. *Id.* at 55a-56a. Because "[w]hen RIM's United States customers send and receive messages by manipulating the handheld devices in their possession in the United States, the location of the use of the communication system as a whole occurs in the United States," "the jury was properly presented with

questions of infringement as to NTP's system claims containing the 'interface' or 'interface switch' limitation," which limitation is met with RIM's Relay component. *Id.*

The Federal Circuit, thus, reaffirmed that RIM's customers in the United States "use" the patented BlackBerry *system* "within the United States." The only substantive alteration it made to its decision in *NTP II* was to differentiate RIM's customers' infringement of NTP's method claims under the territorial limitation of Section 271(a). *Id.* at 56a-58a.[5] That issue is not before this Court.

3. The Ongoing Proceedings in the District Court

On October 21, 2005, the Federal Circuit denied RIM's motion to stay issuance of the Federal Circuit's mandate. On October 26, 2005, Chief Justice Roberts, acting as Circuit Justice for the Federal Circuit, also denied any stay of the court of appeals' mandate. On November 30, 2005, the district court denied RIM's motion to enforce a purported settlement agreement reached between the parties and to dismiss the case as moot.[6] Thus, the case has been fully remanded and is currently going forward "on the remaining issues relating to NTP's request for injunctive relief and appropriate damages." Order, *NTP, Inc. v. Research in Motion, Ltd.*, No. 3:01CV767-JRS (E.D. Va. Dec. 16, 2005), *infra* 26a. The district court has set a briefing schedule for these remedial issues. Legal questions regarding the scope and availability of injunctive relief were

---

[5] Acknowledging that the *Decca* court also distinguished between the systems and methods claims at issue in that case, *NTP III*, Pet. 54a-55a, the Federal Circuit reasoned that, "[u]nder section 271(a), the concept of 'use' of a patented method or process is fundamentally different from the use of a patented system or device," *id.* at 56a. It explained: "Because a process is nothing more than the sequence of actions of which it is comprised, the use of a process necessarily involves doing or performing each of the steps recited." *Id.* at 57a. According to the court, "[t]his is unlike use of a system as a whole, in which the components are used collectively, not individually," or a customer can, with one action or step, call into service the entire system. *Id.* The court therefore held "that a *process* cannot be used 'within' the United States as required by section 271(a) unless each of the steps is performed within this country." *Id.* (emphasis added).

[6] As explained *infra*, Part III.A, RIM has not disavowed any intention to appeal the district court's decision that this case is not moot.

not previously presented to the Federal Circuit, are not presented in RIM's petition, and are not ripe for this Court's review. They remain to be decided by the district court.

REASONS FOR DENYING THE PETITION

I. The Federal Circuit Did Not Err in Applying Well-Established Precedent to the Facts of this Case.

First and foremost, this Court should deny RIM's petition because the Federal Circuit, the appellate court with exclusive jurisdiction over patent appeals, correctly applied Section 271(a) and binding circuit precedent—which Congress has reaffirmed—to the facts of this case.

A. The Federal Circuit Properly Read the Statute and Applied Long-Standing Precedent to the Facts of this Case.

Despite RIM's rhetorical promise of a "landmark intellectual property case," posing a "cutting-edge question" in the "Internet Age," and its repeated italicization of the word "*transnational*," *e.g.*, Pet. 2, there is simply nothing new or difficult about the application of Section 271(a) to the facts of this case. NTP does *not* claim damages for infringement by RIM's customers located outside of the United States. The only territorial question presented and addressed by the Federal Circuit was whether "use ... within the United States" of the BlackBerry system could occur where millions of email messages are originated and sent to BlackBerry customers every day, where the BlackBerry user uses the system to send and receive email, and where the email systems, redirector software, RF networks, and handheld units are located. On this narrow question, the unanimous panel below properly read Section 271(a) and applied long-standing precedent to reach the unremarkable conclusion that RIM's American customers "use" the BlackBerry system within the United States. Any other result would create a rule of law that would reward geographic gamesmanship and evasion of United States patent protections that is fundamentally inconsistent with the text and history of Section 271(a) itself.

1. The Only Issue Arguably Preserved on Appeal and Presented in RIM's Petition Is Whether RIM's American Customers Use the BlackBerry System Within the United States.

As explained above, RIM has never appealed the jury's finding that *its* activities with respect to the infringing BlackBerry system constitute contributory and inducement infringement, as long as its customers in the United States are direct infringers under Section 271(a). RIM also did not appeal "the jury's finding that its customers use, *i.e.*, put into service, its systems and methods for transmitting email messages." *NTP III*, Pet. 51a; *see id.* at 56a n.13. "RIM *only* appeals whether such use occurs within the United States, in light of the location of the Relay within Canada." *Id.* at 56a n.13 (emphasis added).

RIM only appealed the narrow finding that *its American customers* were direct infringers under section 271(a), which states:

> Except as otherwise provided in this title, *whoever without authority* makes, *uses*, offers to sell, or sells *any patented invention, within the United States* or imports into the United States any patented invention during the term of the patent therefor, infringes the patent.

35 U.S.C. § 271(a) (emphases added).

As explained below, the language of Section 271(a), long-standing precedent, and commonsense all point in the same direction – decidedly against RIM's attempt to engraft a new territorial loophole into subsection (a) such that the placement of any component of a patented system outside of the United States would preclude its "use," by anyone, being "within the United States."

2. The Federal Circuit Properly Construed the Term "Use" Consistent with its Plain Meaning and this Court's Precedent.

For its understanding of the statutory term "use," the Federal Circuit relied on the term's plain meaning and long-standing Supreme Court precedent. Specifically, the court below reiterated this Court's pronouncement, more than 90 years ago, that "'use,' as used in a predecessor to title 35, is a

'comprehensive term and embraces within its meaning the right *to put into service* any given invention.'" *NTP III*, Pet. 55a (quoting *Bauer & Cie v. O'Donnell*, 229 U.S. 1, 11 (1913)) (emphasis added). It further explained that:

> The ordinary meaning of "use" is to "put into action or service." *Webster's Third New International Dictionary* 2523 (1993). The few court decisions that address the meaning of "use" have consistently followed the Supreme Court's lead in giving the term a broad interpretation.

Id. (citing case law). Relying on the plain meaning and this Court's broad construction of the word "use," then, the Federal Circuit further clarified that "[t]he use of a claimed system under section 271(a) is the place at which the system as a whole is put into service, *i.e.*, the place where control of the system is exercised and beneficial use of the system obtained." *Id.* (citing *Decca*, 544 F.2d at 1083).

This understanding merely restates what the U.S. Court of Claims held in *Decca* nearly three decades ago, a case in which this Court denied *certiorari* and that is still binding in the Federal Circuit and therefore on all patent appeals. The Federal Circuit's recitation of the facts and holding of *Decca* cannot be improved upon.

> In *Decca* . . . [t]he claimed invention was a radio navigation system requiring stations transmitting signals that are received by a receiver, which then calculates position by the time difference in the signals. At the time of the suit, the United States was operating three such transmitting stations, one of which was located in Norway and thus was outside the territorial limits of the United States . . . [I]n considering infringement of [the claim requiring three transmitting stations], the court considered the extraterritorial reach of the patent laws as applied to a system in which a component was located outside the United States. . . .[T]he court reached no clear resolution of whether the accused system was 'made' within the United States. Nevertheless, the court said, "Analyzed

> from the standpoint of a *use* instead of a *making* by the United States, a somewhat clearer picture emerges." The court concluded that "it is obvious that, although the Norwegian station is located on Norwegian soil, a navigator employing signals from that station is, in fact, '*using*' that station and *such use occurs wherever the signals are received and used in the manner claimed.*" . . . . [T]he court found particularly significant "the ownership of the equipment by the United States, the control of the equipment from the United States and . . . the actual beneficial use of the system within the United States."

NTP III, Pet. 53a-54a. (emphasis added) (citations omitted).

As this lengthy exposition of the applicable precedent makes abundantly clear, the Federal Circuit broke no new legal ground in articulating the proper understanding of the statutory term "use," and the place where a "transnational system" is "used." The Federal Circuit's conclusion that the location of a system component abroad does not preclude as a matter of law a finding of direct infringement under the "use" prong of Section 271(a) was compelled by binding precedent. *Id.* at 56a. There could be no question before the Federal Circuit's decision in *NTP III*, and there can be no question after, that an infringer "uses" a patented system where the system as a whole is put into service, and that it is put into service where control of the system is exercised and the beneficial use of the system is obtained.

The Federal Circuit also considered this Court's decision in *Deepsouth*, upon which RIM relied heavily below, *NTP III*, Pet. 51a-52a, and properly concluded that, as was the case in *Decca*, *Deepsouth* does not speak to the issue in this case, *id.* at 53a-54a. In *Deepsouth*, the "sale" and "use" of the patented product occurred entirely outside the United States. Instead, addressing the "make" prong of Section 271(a), the patent holder attempted to extend the words of the statute by arguing that, even though the actual assembly or "making" of the patented invention took place wholly outside the United States, the fact that the components were supplied in the

United States demonstrated infringement under the "make" prong. This Court rightly rejected that attenuated reading. In RIM's case, by contrast, the issue is not where the BlackBerry system was assembled, but where the alleged direct infringers—its American customers—"use" a patented invention. Thus, both the *Decca* court and the Federal Circuit below properly "[a]nalyzed" the issue "from the standpoint of a use instead of a making," *NTP III*, Pet. 54a (quoting *Decca*, 544 F.2d at 1082), and readily distinguished *Deepsouth*.

3. The Federal Circuit Properly Applied the Established Legal Understanding of the Term "Use" to the Facts of this Case.

It is impossible to imagine how the Federal Circuit could have applied the meaning of "use" articulated by this Court in 1913 and further clarified in *Decca* to the facts of NTP's claims and RIM's American customers' infringement *without* reaching the conclusion it did—that direct infringement under § 271(a) occurred when RIM's American customers "used" the BlackBerry system within the United States. In the terms used by the court below, "[t]he technology at issue relates to systems for integrating existing electronic mail systems . . . with radio frequency wireless communication networks, *to enable a mobile user to receive email over a wireless network.*" *NTP III*, Pet. 3a. (emphasis added).

RIM never disputed that, for its American customers, the message originates in the United States in an electronic mail system located in the United States, is transmitted from RF stations in the United States, and is received by the user on his or her mobile handheld unit in the United States. With these undisputed facts established, the Federal Circuit necessarily concluded that "RIM's customers located within the United States controlled the transmission of the originated information and also benefited from such an exchange of information." *NTP III*, Pet. 56a. Indeed, the Federal Circuit could not have found that the court below was precluded from finding that RIM's American customers had "used" the BlackBerry system "within the United States" *without overruling Decca.*

Nor could the Federal Circuit have reached any other conclusion without defying common sense. There is simply no question that the typical BlackBerry user in Lafayette Park, or standing in line outside the Maryland Avenue entrance to the Court, "uses" the patented invention "within the United States." In the infringing use for which liability was established, a sender types an email on an originating processor in a K Street office. The email travels to a K Street-located email gateway server/BlackBerry redirection software and then through U.S.-based wirelines briefly to the Relay where it is passively relayed to a U.S.-located wireless network. The U.S. located network then sends the email to a D.C. radio tower. The BlackBerry user stands in Lafayette Park or on Maryland Avenue, receives the email on a BlackBerry device and employs the device to view and manipulate the email. RIM has never successfully attacked the common sense conclusion of the district court and the Federal Circuit that such use occurs "within the United States."

B. None of RIM's Oblique Attacks on the Federal Circuit's Reasoning Is Persuasive.

RIM does not, nor could it, offer an alternative definition and formulation of "use" that follows this Court's nearly century old construction, respects the term's plain meaning, as well as common sense, *and* excludes its American customers' conduct from the application of Section 271(a). This observation alone speaks volumes about the weakness of RIM's position, a conclusion in search of a theory. In the fewer than eight pages it uses to attack the Federal Circuit's application of established law to the facts of this case, RIM makes a series of oftentimes circular arguments that, at their worst, advocate judicial rewriting of Section 271(a) and, at their best, say nothing.

1. Through a poorly executed slight of hand, RIM suggests that it is focusing on the meaning of the word "within," Pet. 23-24, when it is in fact attempting to rewrite the territorial requirement and remove the words "use" and "whoever" from the statute.

First, RIM's statutory "reconstruction" conflates conduct (the "use") with the "patented invention" itself. *Id.* In this way,

RIM refuses to accept the negative implication of the express terms of the territorial limitation – that subsection (a) *does not* require that the entire "patented invention" or even a substantial component reside "within the United States." In fact, RIM ignores completely that Section 271(a) *as written* fully contemplates that the "situs of an . . . accused invention" may be different from, or more difficult to ascertain than, the "situs of its use," *id.*, and requires only that the latter be within the United States. Thus, by arguing that the entire BlackBerry system must be "within the United States," RIM asks this Court to apply the territorial limitation to the situs of the infringing system, making its location dispositive on the territorial question and removing "use" from the statute altogether.[7]

Second, RIM would have this Court read the terms "whoever" and "use" out of subsection (a) entirely by making the relevant inquiry where *RIM* asserts it "made" the BlackBerry system and not where its *customers'* "use" the system Pet. 24. That is, by focusing on where RIM chose to place the Relay when it "made" the system, *e.g.*, *id.* ("the system's accused [Relay] is located in Canada"), RIM fails *both* to acknowledge that subsection (a) reaches "whoever" "uses" the patented invention, even if it is someone other than the person or entity that "makes," "offers to sell," or "sells" the patented invention, *and* to comprehend that the act of "making" or assembling the system is distinct from the statutorily independent act of "using" the system.[8] Such a

---

[7] Unable to couch its argument in terms of the statute, RIM poses the rhetorical question: "How can a system that is not located 'within the United States,' i.e., not entirely inside the bounds or limits of, and not enclosed, contained, or confined by, the United States, be 'used . . . *within* the United States' . . . ?" Pet. 23. The answer is as plain as the infringement in this case: it can be used within the United States *at least* where a system is made available for use by customers located in the United States. *NTP III*, Pet. 55a.

[8] As further evidence that RIM does not recognize any difference between "make" and "use" infringement, RIM asserts: "[s]ince 'making' an invention requires all components of a system to be located 'within the United States' for infringement under § 271(a), it follows that 'use' infringement also requires all components of an invention (i.e., system) to

(Cont'd)

reading of the statute would not only violate the "'cardinal principle of statutory construction'" that each word should be given meaning, *Bennett v. Spear*, 520 U.S. 154, 173 (1997), but also fundamentally alter U.S. patent law, as explained below, *see infra* Part II.

Third, RIM attempts to reopen an issue *it conceded on appeal*, *NTP III*, Pet. 51a, 56a n.13 – that its customers "put into service" the BlackBerry system. This is because there are only two ways to interpret RIM's recitation of the Lafayette Park hypothetical, where it attempts to distinguish between the subscriber using the handheld device and using the entire BlackBerry system. Pet. 24. *Either* RIM accepts the jury's finding that its subscribers put into service the BlackBerry *system* as a whole and believes that the subscriber is metaphysically transported outside of the United States during some moment of the subscribers' use, a proposition that, for obvious reasons, RIM does not openly embrace. *Or* RIM simply does not accept that its subscribers *ever* put into service the BlackBerry system as a whole, a proposition that *it did not dispute in the Federal Circuit. E.g.*, *NTP III*, Pet. 51a; *id.* at 56a n.13 (RIM did not appeal "the jury's finding that its customers use, *i.e.*, put into service, its systems and methods for transmitting email messages").

2. RIM also asserts that the "beneficial use" and "control" formulation, clarified in *Decca* and recited by the Federal Circuit in *NTP III*, "imports into the plain text of § 271(a) a new principle" that is sure to "confound district courts." Pet. 25-30.[9]

(Cont'd)

be located 'within the United States,' *regardless* of the situs of 'control or beneficial use' of the system." Pet. 24 n.10. This statement begs the question "why," fails to acknowledge the difference in the nature of "make" and "use," and assumes that it is the situs of the patented invention and not the use that is relevant to the territorial inquiry.

[9] RIM also suggests that the Federal Circuit's distinction between the "use of method" and "use of system" claims in this case is somehow unworkable and illusory. Pet. 24-25. To be clear, RIM cannot, and NTP does not, appeal the lower court's ruling that the patented method was not "used" "within the United States." Although NTP believes that the use of both types of patented inventions occurred within the United States under the facts of this case, the line drawn by the Federal Circuit is by no means unknown in patent law, *NTP III*, Pet. 56a-57a (citing cases distinguishing between method and system claims).

This formulation is not new, does not expand the plain text, and has confounded no courts in the nearly 30 years since it was clarified in *Decca*.

First, as *RIM quotes in its petition*, the *NTP III* panel used precisely the same formulation as did the court in *Decca* to discern the situs of infringing use—"*control* of the equipment from the United States" and "the actual *beneficial use* of the system within the United States," Pet. 27 (quoting *Decca*, 544 F.2d at 1083 (emphases added)). Nor does the fact that *Decca* "arose under 28 U.S.C. § 1498," as RIM observes, *id.* at 26, render the formulation new. As the Federal Circuit explained, although *Decca* was decided in the context of the statutory provision addressing infringement "*by* the United States," 28 U.S.C. § 1498, "the question of use *within* the United States also was implicated because direct infringement under section 271(a) is a necessary predicate for government liability under section 1498." *NTP III*, Pet. 54a. In the language of the *Decca* court, "[t]he question thus presented [wa]s whether the system of claim 11 has been made or *used, as those terms are employed in the patent law*, by or for the United States." 544 F.2d at 1082 (emphasis added). The *Decca* case thus also arose under Section 271.

Second, the "control" and "beneficial use" formulation is not a "revision to the statute's text." Pet. 26. RIM does not dispute that the plain meaning of "use" is "to put into service." *NTP III*, Pet. 55a. As the Federal Circuit explained, the "control" and "beneficial use" factors are simply ways for the courts to ascertain *where* the patented invention is *put into service*, *id.*, an inquiry dictated by the "use" and "within the United States" requirements of the statute. Far from being an expansion of the text, the *Decca* formulation, if anything, *constricts* the full reach of "use" by limiting it to only certain types of "use," where there is real control or actual beneficial use, and/or putting the system as a whole into service.

Finally, RIM produces no decisions in which a lower court struggled with, and was unable to apply, the "control" and "beneficial use" formulation as announced in *Decca* nearly three decades ago. Although its application will necessarily

depend on the patent claim at issue and the facts of the case, this is hardly an indictment; it is what courts do.

C. The Federal Circuit's Decision Raises No Separation of Power Concerns.

Apparently conceding that *Deepsouth* is not controlling in this case, *compare NTP III*, Pet. 52a-53a (observing that "RIM argues that *Deepsouth* answers th[e] question"), *with* Pet. 2 (characterizing question presented as one "the Court did not address when it decided *Deepsouth*"), RIM dedicates five pages of its petition and its discussion of *Deepsouth* to the unremarkable proposition that federal courts should not misconstrue the patent laws or apply Section 271(a) beyond its terms to reach extraterritorial conduct. *Id.* at 18-22. NTP does not dispute that *if* there were a territorial loophole into which RIM's American customers' activity falls, "*only Congress*, and not the courts, could fix it." Pet. 19. Restatement of this axiom merely begs the question in this case, namely, whether Congress, in Section 271(a), reached the conduct at issue here.[10]

The Federal Circuit determined that it did. Moreover, if there were ever any question that the test announced in *Decca* (and applied here) properly construed and captured

---

[10] Nor does NTP dispute that "*only Congress* can give the patent infringement provisions extraterritorial effect." Pet. 22. Nonetheless, RIM's reliance on the presumption against extraterritoriality is simultaneously misplaced and unavailing. *Id.* at 21. Section 271(a) itself circumscribes actionable infringement to "uses . . . within the United States," 35 U.S.C. § 271(a), a point the Federal Circuit fully understood, *NTP III*, Pet. 48a-49a. Because the territorial limit of the statute is unambiguously set by its plain language, there is no occasion to reach for presumptions or other canons of construction to assist in its interpretation. *See EEOC v. Arabian Am. Oil Co.*, 499 U.S. 244, 248 (1991) (the presumption against extraterritoriality "'is a valid approach whereby *unexpressed* congressional intent may be ascertained'" (quoting *Foley Bros., Inc. v. Filardo*, 336 U.S. 281, 285 (1949)) (emphasis added)). Nor has NTP sought any extraterritorial application of Section 271(a). NTP sought relief only for commercial exploitation of BlackBerry users located in the United States, as the Federal Circuit properly understood. *NTP III*, Pet. 56a (limiting the court's holding to "RIM's customers *located within the United States*" (emphasis added)).

Congress's intent in Section 271(a), that question evaporated in the nearly three decades since the case was decided, as Congress has never acted to "correct" the *Decca* court's understanding of the statute.[11] Indeed, Congress's knowledge of *Decca* need not be presumed here. Congress has actively discussed and analyzed the decision in *Decca* and condemned the portion of *Decca* wherein the court refused to read 35 U.S.C. § 271 as reaching U.S. ships. H. R. Rep. No. 101-960 (1990); S. Rep. No. 101-266 (1990), *reprinted in* 1990 U.S.C.C.A.N. 4058. Congress thus clearly understood *Decca*'s holdings and chided the court for not going far enough. To the extent any "serious separation of powers concerns" are implicated in this case, Pet. 20, it is a *reversal* of the Federal Circuit's decision, and unsettling of decades-old precedent of which Congress is well aware, that would raise these concerns.[12]

II. Contrary to RIM's Suggestion, It Is a *Reversal* of the Federal Circuit's Decision that Would Wreak Havoc on Existing Patents for Computer-Based Systems and Undermine International Patent Treaties.

As explained in Part III, *infra*, reversal of the Federal Circuit's decision would have little or no impact on the present case or the future of the BlackBerry system in the United States. Adoption of the strained reading of "use" put forth by RIM in its petition would, however, have far-reaching negative effects on all computer-based inventions. RIM's conception of limitations on national jurisdiction would establish an international dead zone where *no* nation's laws could extend, and in one stroke create a quick

---

[11] *See, e.g., Herman & MacLean v. Huddleston*, 459 U.S. 375, 385-86 (1983) ("In light of [a] well-established judicial interpretation [of a statutory provision], Congress' decision to leave [the provision] intact suggests that Congress ratified" the interpretation).

[12] As explained above, *see supra* at pp. 6-7, Congress has never been shy about reacting to patent law interpretations with which it disagrees.

and easy method for infringing entities to skirt *all* national patent laws.

A. RIM's Position Would Gut The Effectiveness of U.S. Patent Law.

RIM urges this Court to find that any time even one component of an infringing system is located outside the United States, it insulates from liability anyone who uses it in the United States. Pet. 16. Such a ruling would serve as a clear roadmap for every infringer (contributory, inducing, and direct) and potential infringer on how to evade U.S. patent liability for electronic systems. All the infringer would need to do is move one component offshore and claim immunity as a "*transnational*" entity. In these days of nearly instantaneous global communication, designing an infringing system to incorporate components in more than one country would be a trivial undertaking.

RIM's interpretation of Section 271(a) would have dramatic and pernicious effects. As Microsoft observed in its *amicus* brief below, "[h]ad RIM's counter-argument prevailed . . . it would have created an incentive for American companies to locate certain aspects of their systems outside the United States, *primarily to avoid infringement liability*. Such an outcome *would likely result in loss of jobs, skilled workers, capital, and information technology,* abroad." Br. of Amicus Curiae Microsoft Corp. at 9, No. 03-1615 (Fed. Cir. filed Aug. 24, 2005) (emphasis added). This easy circumvention of patent protection can hardly be what Congress had in mind when it created the comprehensive protections contained in Section 271. The Federal Circuit correctly rejected RIM's invitation to throw open the gates of wholesale patent infringement to every company with a high-speed international data connection, and RIM has provided this Court with no reason to revisit that decision.

B. It Is RIM's Flawed Reading of the Statute that Would Conflict with International Law.

RIM suggests in passing that that the Federal Circuit's decision "runs head-on into multi-lateral treaty obligations (*e.g.*, the TRIPS Agreement on intellectual property rights) that are predicated on national, not extraterritorial, application of signatories' (including Canada's) patent laws." Pet. 20-21. However, RIM has never been able to provide any example of an actual conflict between the Federal Circuit's decision and specific "multi-lateral treaty obligations."

Indeed, multilateral patent treaties, by design, recognize each country's right to protect inventorship within its own borders. Contrary to RIM's circular supposition that the court below offended this design by reaching activity beyond the territorial United States, as explained above, the Federal Circuit merely affirmed the finding that RIM's customers' activities *within the United States* constitute use sufficient for a finding of infringement under Section 271(a). Far from offending other nations' notions of patent jurisdiction, the Federal Circuit's decision precisely tracks that reached by the only other legal system to address the issue.

In *Menashe Business Mercantile, Ltd. v. William Hill Org., Ltd.*, [2002] EWCA Civ 1702, [2003] All E.R. 279 (C.A. 2002), the United Kingdom Court of Appeal reached a conclusion identical to that reached by the Federal Circuit. In that case, the court considered the location of "use" under a European Patent, using a virtually identical definition of that term as the one employed by the Federal Circuit ("to put the invention into effect.") The U.K. court found that "use" includes the customer's locale because the customer "will use the claimed gaming system in the United Kingdom, even if the host computer is situated in, say, Antigua." *Id.* ¶ 33. Focusing on the location of individual components of the system would be a mistake because "[i]t is of no relevance to him, the user, nor the patentee as to whether

or not [the host computer] is situated in the United Kingdom." *Id.* ¶ 32. After being apprised of *Menashe*, even the government of Canada has now acknowledged that "national jurisdiction over trans-border technology may be justifiable under internationally accepted theories of national jurisdiction." Br. of Amicus Curiae Government of Canada at 3-4, No. 03-1615 (Fed. Cir. Aug. 16, 2005).

Indeed, it is RIM's skewed interpretation of the reach of national jurisdiction that jeopardizes the ability of *any* nation to enforce its own patent laws. Fundamentally, the purpose of international intellectual property agreements is to *safeguard* patent rights. Because RIM's reading of the statute would allow a new class of transnational pirates to copy a system in every respect but avoid patent liability by siting one component of that system in a different country, this interpretation would create a lawless "no man's land" in which neither the United States *nor any other country could exercise jurisdiction*. Such a result would call into question the effectiveness of every national patent system.

III. This Case Is a Poor Vehicle for this Court's Review of the Question Presented.

Even assuming that the question presented in RIM's petition were otherwise worthy of this Court's review, this case would be a poor vehicle for addressing that question.

A. RIM *Continues To Contend* that this Court Lacks Jurisdiction To Hear this Case.

First and foremost, RIM's petition fails to alert this Court that its *current* position in the courts below, on remand from the Federal Circuit's decision, is that the federal courts lack jurisdiction to hear *any portion of* this case. Pet. 10 n.3 (stating elliptically in a footnote that "the district court denied RIM's motion to enforce a previously announced settlement agreement"). It has taken this position – that a purported settlement reached between the parties has rendered this case moot and ousted the courts of jurisdiction – in its Federal Circuit Motion to Stay Appeal

and Remand for Enforcement of Settlement ("Remand Mot."), *infra* at 1a; in public statements, and even in its Federal Circuit motion to stay the mandate. Although the district court has now denied RIM's motion to enforce the settlement, RIM has not disavowed that it will appeal that ruling to the Federal Circuit.[13]

NTP disputes the enforceability of RIM's mischaracterized version of the purported settlement. As RIM represented in its Remand Motion, however, "[i]f the parties' Term Sheet constitutes a binding and enforceable agreement, the underlying case (including this appeal) is moot." *Id.* at 3a. "If moot, then the courts have *no constitutional authority* after March 13 [2005] to continue on the merits of the settled action." Remand Reply, at 13a (emphasis added). Where, as here, a petitioner is simultaneously asserting a lack of jurisdiction based on mootness, *certiorari* is unjustified. *Cf. Barthuli v. Bd. of Trustees*, 434 U.S. 1337, 1339 (1977) (Rehnquist, J.) ("Given the Art. III limitation of our jurisdiction to 'Cases' and 'Controversies,' . . . [a] stay . . . in these circumstances would amount to nothing more than 'a mere declaration in the air.'"). There is simply no reason for this Court to risk expending its and the parties' resources to address the question presented when the petitioner *itself* is representing to the courts below that this case is moot.

B. The Question Presented Does Not Apply to the Facts of this Case.

RIM characterizes this case as one involving "an Internet-based global telecommunications system," Pet. (i), "present[ing] the Internet Age question of how" Section 271(a) "should be applied to geographically borderless, '*transnational*' telecommunications systems," *id.* at 2. Despite RIM's use of generic rhetoric and efforts to wrap itself in

---

[13] For purposes of addressing the issue in this opposition, NTP asked RIM to clarify whether it had abandoned the settlement issue and would not appeal the district court's ruling. *See* Letter from J. Wallace to H. Fenster, *et al.* (Dec. 14, 2005), at 24a. RIM did not respond.

the "worldwide, geographically borderless Internet," *id.* at 11, this is not such a case.

The claimed system that BlackBerry users infringe is not "an Internet-based global telecommunications system." The claimed system at issue does not require any use of the internet. It requires only the point-to-point transmission of electronic mail, which could take place over any medium. As Mr. Campana envisioned one embodiment of its design, the transmission could occur over the telephone lines. RIM, itself, has used dedicated lines to transmit data from the Relay to U.S.-based carriers.

That RIM has also chosen to use an internet protocol to transmit information to and from the interface in Canada does not change the nature of the infringed Campana system and NTP's claims.[14] RIM's American customers' ongoing and continued use of its system implicates none of the considerations of the ubiquity of the worldwide web that RIM (incorrectly) believes would, if actually presented, raise difficult questions under the "use" prong of section 271(a).[15]

If the application of Section 271(a) to truly "Internet-based telecommunications, e-commerce, and other systems whose operation *depends* upon computer servers or other major components located in Canada, Western Europe, Asia, or elsewhere," Pet. 12 (emphasis added), does become

---

[14] Nor is RIM, for example, a purveyor of goods over the Internet where its sole contact with its customers is a one-time sale. Thus, the issue at bar does not present the question of the "sale" prong's applicability to a one-time purchase of goods from a foreign-based internet website.

[15] Indeed, *Decca* itself comes closer to presenting the question of how to apply Section 271(a) to a system that, by its nature, must be global and extend beyond the territorial borders of the United States than does *NTP III*, where the BlackBerry system could function precisely as it was designed to without placing a single component outside of the United States. *Decca*, 544 F.2d at 1074 ("Of its very nature the [radiolocation] system cannot be confined to one country."). This Court was nonetheless untroubled by the application of Section 271(a) to the use of a system that was necessarily "geographically borderless." *Decca Ltd. v. United States*, 454 U.S. 819 (1981) (denying *certiorari*).

difficult, *Congress* would undoubtedly be in the best position to reconsider its "decades-old" territorial limitation in light of this technology. And even if this Court, as RIM presumes, were interested in reconsidering long-standing precedent—not because it is incorrect, but solely because it is applied to such "geographically borderless" systems—then the proper course would be for this Court to wait until a case that actually involves such a system is presented.

C. Even if the Decision Below Were Read To Break Some New Legal Ground, Review Should Await Further Examination of These Issues by the Federal Circuit and the Federal District Courts.

Even if the Federal Circuit's application of *Decca*'s test to the facts of RIM's American customers' infringement could somehow be characterized as "cutting-edge," this novelty would counsel *against granting* RIM's petition and *in favor of waiting* to see how the *NTP III* decision will be applied by the district courts and how the Federal Circuit responds as the issue percolates in the district courts throughout the United States in other varying factual contexts. As this Court has recognized, the Federal Circuit, by congressional design, is uniquely situated to interpret and apply the U.S. patent laws in an expert and uniform manner. *See, e.g., Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 40 (1997) ("We expect that the Federal Circuit will refine the formulation of the test for equivalence in the orderly course of case-by-case determinations, and we leave such refinement to that court's sound judgment in this area of its special expertise."). Accordingly, there is simply no reason to second guess the Federal Circuit on the ground that the federal district courts *may* misapply its decisions.

D. RIM Has Changed Its Position Throughout this Litigation and Presents Newly Minted Legal Arguments to this Court.

RIM's theory of the sliver of the case it now presents to this Court has mutated at every step of this litigation. Its presentation of this latest version of its position to this Court

raises serious questions of waiver. At a fundamental level, and as explained above, *see supra* at p. 16, it appears from RIM's description of the "Lafayette Park example" that RIM now implicitly questions whether RIM's customers can *ever* use the BlackBerry system, and not merely the handheld device, as a whole. Pet. 24. This directly contradicts its position below, as understood by the Federal Circuit, that it was not challenging the jury's finding that "its customers use, *i.e.*, put into service, *its systems*." *NTP III*, Pet. 51a (emphasis added).[16]

Similarly, RIM has lurched from position to position on the import and holdings of *Decca*. In the district court, RIM asserted that *Decca* applied to and supported its noninfringement position. In its opening and reply briefs to the Federal Circuit, RIM again asserted that *Decca* applied. Only in its petitions for rehearing did RIM raise its new interpretation of *Decca* as applying only to 28 U.S.C. § 1498. Now in its petition before this Court, RIM tries another argument that the consent of a foreign government is necessary for U.S. jurisdiction. Pet. 27 n.11.[17]

Not only would consideration of these newly (if only partially) formed positions place this Court in the awkward position of evaluating a Federal Circuit decision based on a different presentation of the case, but this Court could have no confidence that the position RIM takes in its petition would be the position it would present in merits briefing. If the question is as important as RIM suggests, another case will presumably surface that would provide this Court (and the Federal Circuit and opposing counsel) with the same question without the moving-target approach RIM has taken.

---

[16] RIM's refusal to acknowledge or address even the most basic facts and legal rulings below composed a pattern the district court described as one of RIM's many "questionable litigation tactics" when it awarded enhanced damages and attorney fees to NTP. *NTP v. Research in Motion, Ltd*, 270 F. Supp. 2d 751 (E.D. Va. 2003).

[17] RIM's reliance on *Deepsouth* has also changed dramatically, as what it once considered dispositive, it now cites for the general proposition that federal courts should not expand the territorial reach of U.S. patent laws beyond what Congress intended. *See infra* Part I.C.

E. There Are Numerous Alternative Grounds for Affirmance of the Federal Circuit's Decision.

Because it determined that RIM's customers in the United States "use" the BlackBerry system "within the United States," the Federal Circuit did not also need to consider the alternative grounds under which the finding of infringement on the specific claims at issue could be affirmed. There is little doubt that RIM infringed the patents under these alternative theories. For example, RIM infringes under the Section 271(a) "sale" prong as RIM indisputably consummated over $2 billion of sale transactions of infringing products and services within the United States. *E.g.*, Morrison Decl. ¶¶ 10, 13, 14, 17 (RIM declarant admitting that RIM is "*selling* its handhelds, software and services *in the United States*" (emphases added))(Ex. 5 to RIM's Application for Stay and Recall of the Federal Circuit's Mandate, No. 05-A-357 (Oct. 24, 2005)). Moreover, Section 271(f) fully backstops Section 271(a) for any systems claims in which some portion is located outside of the United States. This is simply not a case where this Court's reconsideration would have any ultimate effect on the adjudication of rights or relief between the parties.

F. The District Court Can Proceed To Grant NTP Relief without regard to the Resolution of the Section 271(a) Issue.

NTP does not dispute that the infringing BlackBerry system is a highly effective means of electronic communication that is used by millions of Americans, including "hundreds of thousands of federal, state, and local government personnel." Pet. 6-7. RIM has prospered by willfully infringing Mr. Campana's invention. The thinly veiled implication of RIM's petition, however, that this Court's granting its petition would secure the future of RIM's pirated system, or any American subscriber's usage of her BlackBerry, is disingenuous at best.

As the Federal Circuit made clear, and NTP argued in its opposition to RIM's unsuccessful petition to Chief Justice Roberts to stay the mandate, "RIM's argument based on the location of its Relay outside the United States does not apply to the asserted claims of the '592 patent (claims 40, 150, 278,

287, 653, and 654) because those claims do not include the 'interface' or 'interface switch' limitation," served by RIM's Waterloo Relay. *NTP III*, Pet. 50a. Five of these claims are fully affirmed on all grounds of claim construction, infringement, and validity, and RIM does not appeal any of these grounds. This means that, even if this Court were to grant RIM's petition and to reverse the Federal Circuit, RIM's operation of its BlackBerry system, as it is presently configured, would continue to infringe NTP's '592 patent. The district court can proceed to grant NTP injunctive relief without regard to the resolution of the Section 271(a) issue.[18] Thus, a grant of RIM's petition would not secure the future use of the BlackBerry system within in the United States.

CONCLUSION

For all of the reasons above, NTP respectfully submits that the petition for writ of certiorari should be denied.

Respectfully submitted,

BERT W. REIN
Counsel of Record
JAMES H. WALLACE, JR.
JOHN B. WYSS
KATHRYN COMERFORD TODD
ANDREW G. MCBRIDE
KEVIN P. ANDERSON
WILEY REIN & FIELDING LLP
1776 K Street, N.W.
Washington, D.C. 20006
(202) 719-7000
Attorneys for Respondent

December 23, 2005

[18] RIM's discussion of a possible injunction in this case is a red herring. Pet. 12 n.4 (discussing *eBay, Inc. v. MercExchange, L.L.C.*, No. 05-130). There is no injunction currently in place in this case, and RIM's narrow appeal has nothing to do with a hypothetical future injunction. Similarly, the United States' interest in the precise parameters of such an injunction, Pet. 7 and Pet. 157a-163a, has nothing to do with this appeal. Moreover, RIM did not appeal to the Federal Circuit any aspect regarding the propriety or scope of the district court's prior injunction.

APPENDIX A — MOTION BY RESEARCH IN MOTION TO STAY APPEAL AND REMAND FOR ENFORCEMENT OF SETTLEMENT AGREEMENT DATED JUNE 8, 2005

NONCONFIDENTIAL

03-1615

IN THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

NTP, INC.,

Plaintiff-Appellee,

v.

RESEARCH IN MOTION, LTD.,

Defendant-Appellant.

Appeal from the United States District Court For the Eastern District of Virginia in Case No. 01-CV-767, Judge James R. Spencer

MOTION BY RESEARCH IN MOTION TO STAY APPEAL AND REMAND FOR ENFORCEMENT OF SETTLEMENT AGREEMENT

CONFIDENTIAL MATERIAL OMITTED

The material omitted from page 4 of this motion relates to proprietary and business information prepared during settlement discussions and is subject to a protective order.

Appendix A

NONCONFIDENTIAL

03-1615

IN THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

NTP, INC.,

Plaintiff-Appellee,

v.

RESEARCH IN MOTION, LTD.,

Defendant-Appellant.

Appeal from the United States District Court For the Eastern District of Virginia in Case No. 01-CV-767, Judge James R. Spencer

MOTION BY RESEARCH IN MOTION TO STAY APPEAL AND REMAND FOR ENFORCEMENT OF SETTLEMENT AGREEMENT

CONFIDENTIAL INFORMATION

Defendant-Appellant Research In Motion, Ltd. ("RIM") moves the Court to stay this appeal and remand to the district court to construe and enforce a settlement agreement between RIM and Plaintiff-Appellee NTP, Inc. ("NTP").[1] While RIM's combined petition for rehearing and rehearing *en banc* has

1. On June 8, counsel for RIM discussed this motion with counsel for NTP, Mr. James Wallace, who declined to indicate whether or not NTP opposes this motion or whether it would file a response.

been pending in this Court, the parties mediated their controversy before a U.S. magistrate, agreed to settle this case, and executed a binding Term Sheet that resolves all current litigation. The parties agreed to work together in good faith to finalize and execute definitive license and settlement agreement documents during the following weeks. For nearly three months now, RIM has been working in good faith to complete that process and obtain the final license and settlement documents. However, despite numerous exchanges between the parties, and even additional mediation before the magistrate, NTP refuses to honor all of its obligations under the Term Sheet and finalize the definitive documents that would resolve the parties' entire controversy required by the Term Sheet.

If the parties' Term Sheet constitutes a binding and enforceable agreement, the underlying case (including this appeal) is moot and this Court lacks jurisdiction to proceed in the appeal as of March 13, 2005 when the Term Sheet was executed. Given this basic jurisdictional issue, and the need to preserve the status quo between the parties as it existed at the time of their settlement, RIM respectfully requests the Court to follow the established procedure followed in other appellate courts when a dispute arises en route to finalizing a settlement reached while an appeal is pending — *i.e.*, stay the appeal process and remand to the district court to resolve any remaining disputes related to memorializing and executing the parties' final agreement. To the extent that disputed factual issues require further exploration, the district court is the proper forum in which to permit necessary discovery, conduct an evidentiary hearing, enforce the Term Sheet, and construe the terms of the parties' settlement.

Appendix A

I. BACKGROUND

On December 14, 2004, this Court issued a panel decision that, upon issuance of the mandate, would affirm-in-part and vacate-in-part the decision of the district court below, and remand the case for further proceedings.[2] On January 11, 2005, RIM timely filed a combined petition for rehearing and rehearing *en banc* on several significant issues, including whether the panel decision improperly extends U.S. patent law to extraterritorially cover use of one or more components of a patented invention in other countries. The significance of this extraterritoriality issue alone led to the filing of several *amicus* briefs supporting *en banc* review of the panel decision. Indeed, the Canadian government took the rare action of filing an *amicus* brief expressing concern about the panel's decision and strongly urging *en banc* review. This Court requested a response to RIM's petition, which NTP filed on January 24, 2005.

During the pendency of RIM's petition for rehearing, the parties mediated this matter before Magistrate Judge Dohnal, a federal magistrate based in the Eastern District of Virginia where the underlying case was tried, and on March 13, 2005, signed a binding Term Sheet that the parties agreed resolved the litigation between them.[3] The Term Sheet is attached as Exhibit 2. The Term Sheet incorporates by reference terms

---

2. *NTP, Inc. v. Research In Motion, Ltd.*, 392 F.3d 1336 (Fed. Cir. 2004).

3. Joint Press Release, Research In Motion And NTP Agree To Resolve Litigation, dated Mar. 16, 2005. (Ex. 1) (hereinafter "Joint Press Release")

from a letter that is attached as Exhibit 3. The Term Sheet requires RIM to pay $450 million in exchange for NTP and its shareholders granting RIM and its customers unfettered rights to continue RIM's BlackBerry-related wireless business without further interference from NTP or its patents.[4] The parties agreed that the Term Sheet was fully binding and enforceable.[5] Under the Term Sheet, the parties agreed to finalize the terms of this resolution in a definitive licensing and settlement agreement in the following weeks.[6] The parties further agreed that [

]7 The negotiations of final definitive license and settlement agreements have reached an impasse, because NTP now refuses to honor its agreement and obligations under the Term Sheet.

While the parties were seeking to finalize the definitive agreements, the U.S. Patent and Trademark Office ("Patent Office") has taken significant action raising serious questions about the viability of NTP's patents in suit. For over two years, the Patent Office has been reexamining eight NTP patents, including the five at issue here. The Patent Office has now begun issuing first office actions in those

4. *Id.*

5. Joint Press Release (Ex. 1).

6. *Id.*

7. Email Agreement (Mar. 15, 2004) (Ex. 4).

reexaminations. To date, the Patent Office has issued first office actions for half of the NTP patents under reexaminations that reject all claims in those patents, including all claims of U.S. Patents 5,436,960 and 5,625,670 at issue here. Based on the strength and scope of those rejections, it is expected that first office actions similarly will reject all claims in the remaining NTP patents-in-suit (U.S. Patents 5,819,172, 6,067,451 and 6,317,592). These reexaminations should be resolved within a matter of months. In recent testimony by Patent Office Director Jon Dudas during a Senate hearing, Mr. Dudas testified that, by the end of fiscal year 2005, the Patent Office intends to resolve all instances of *ex parte* reexaminations that have been pending with an examiner for more than two years (which is the case here).[8]

II. ARGUMENT

Under well-established law, this Court lacks the jurisdiction to proceed with this appeal if the parties have entered a binding settlement agreement.[9] As one striking

8. The Patent System: Today and Tomorrow, Hearing Before the Subcomm. On Intellectual Property of the Senate Comm. On the Judiciary (Apr. 21, 2005) Statement of the Honorable Jon W. Dudas, Under Secretary of Commerce for Intellectual Property and Director of the United States Patent & Trademark Office.

9. *See Gould v. Control Laser Corp.*, 866 F.2d 1391, 1392 (Fed. Cir. 1989) ("Settlement moots an action.") (*citing Lake Coal Co. v. Roberts & Schaefer Co.*, 474 U.S. 120 (1985)); *see also Aulenback, Inc. v. F.H.A.*, 103 F.3d 156, 161 (D.C. Cir. 1997) ("The general

(Cont'd)

example on virtually identical facts, the Eleventh Circuit ruled that it did not have jurisdiction to proceed with an appeal that was mooted by a settlement entered after an original panel decision had issued, but while a petition for rehearing of that decision was still pending.[10] Hence, this Court's jurisdiction to take any further actions in this appeal is now dependent upon whether the parties have in fact settled their controversy as of the execution of the Term Sheet on March 13, 2005.

Disputes as to the terms or enforceability of a settlement agreement entered during appeal must be resolved before the court can proceed with the underlying action, which may require discovery and an evidentiary hearing. Accordingly, because appellate courts are not designed to resolve such disputes in the first instance, the Fourth Circuit (the regional circuit in which this case was tried) and other appellate courts have stayed pending appeals and remanded to allow the parties to conduct further proceedings in the district court where, as here, the parties agree to settle a case pending appeal but a dispute has arisen as to the terms of that settlement:

> Where the existence or validity of ...a settlement [agreement] is legitimately contested by one of the parties, appellate courts, of course, will not

---

(Cont'd)

rule, however is that complete settlement moots an action," *citing Gould*, 866 F.2d at 1392.); *Pressley Ridge Schs. v. Shimer*, 134 F.3d 1218, 1220 (4th Cir. 1998) ("Because the parties have entered into a settlement, however no live dispute between them currently exists. Accordingly, we lack jurisdiction to consider the case.").

10. *Key Enters. of Delaware, Inc. v. Venice Hosp.*, 9 F.3d 893, 897-99 (11th Cir. 1993).

> normally act as a court of original jurisdiction and litigate the matter. Rather the appropriate course in such an instance would appear to be that of continuing or staying the appeal so that a competent court may decide the issue.[11]

By this motion, RIM respectfully requests that this Court follow the procedure established by those cases under the present circumstances.

Staying further appellate action on the underlying case until the settlement dispute is resolved is not only a jurisdictional requirement under the mootness doctrine, but is critical to preserve the *status quo* of the underlying substantive action as of the time that the settlement was entered.

This Court should grant the requested stay so that the parties can focus their efforts and resources on resolving the settlement dispute and ending this controversy. If the appeal process proceeds and RIM's petition for rehearing is granted, then the parties would need to divert resources from the settlement dispute toward preparing substantive briefs and oral argument for that rehearing. If rehearing is denied, then the parties still must divert resources toward preparing a petition for Supreme Court review, including review of the substantial

---

11. *See Guinness PLC v. Ward*, 955 F.2d 875, 897 (4th Cir. 1992) (discussing limited remand of a case to decide a substantive issue before a competent court); *see also Bergstrom v. Sears, Roebuck & Co*, 532 F. Supp. 923, 934-35 (D. Minn. 1982) (if settlement reached pending appeal, authority of a district court may be limited by terms of the remand to take evidence "on the issue of whether a settlement was reached.").

extraterritoriality issues raised in this appeal. Accordingly, a stay of the appeal process is further appropriate because it would enable the parties properly to focus their efforts on confirming settlement of this entire case and controversy.

III. CONCLUSION

For the foregoing reasons, RIM respectfully requests this Court to stay the appeal and remand the case to the district court for further proceedings limited to enforcing the Term Sheet and determining the terms of the parties' settlement in this action, including any discovery, briefing, and/or an evidentiary hearing as necessary to resolve that issue.

Henry C. Bunsow
HOWREY LLP
525 Market Street
San Francisco, CA 94105
(415) 848-4900

David W. Long
Mark L. Whitaker
HOWREY LLP
1299 Pennsylvania Ave., NW
Washington, DC 20004
(202) 783-0800

Robert C. Laurenson
2020 Main Street
Suite 1000
Irvine, CA 92614-8200
(949) 721-6900

Counsel for Defendant-Appellant, RESEARCH IN MOTION, LTD.

June 8, 2005

APPENDIX B — RESEARCH IN MOTION'S REPLY SUPPORTING ITS MOTION TO STAY APPEAL AND REMAND FOR ENFORCEMENT OF SETTLEMENT AGREEMENT DATED JUNE 13, 2005

NONCONFIDENTIAL

03-1615

IN THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

NTP, INC.,

Plaintiff-Appellee,

v.

RESEARCH IN MOTION, LTD.,

Defendant-Appellant.

Appeal from the United States District Court For the Eastern District of Virginia in Case No. 01-CV-767, Judge James R. Spencer

RESEARCH IN MOTION'S REPLY SUPPORTING ITS MOTION TO STAY APPEAL AND REMAND FOR ENFORCEMENT OF SETTLEMENT AGREEMENT

CONFIDENTIAL MATERIAL: The confidential version of this reply contains proprietary business information prepared during settlement discussions and is subject to a protective order. Such information is designated within the reply by enclosed, bold brackets [ ] and redacted in the non-confidential version of the reply.

Appendix B

Henry C. Bunsow
HOWREY LLP
525 Market Street
San Francisco, CA 94105
(415) 848-4900

David W. Long
Mark L. Whitaker
HOWREY LLP
1299 Pennsylvania Ave., NW
Washington, DC 20004
(202) 783-0800

June 13, 2005

[

] --

James Wallace, Esq., Counsel for NTP, Mar. 15, 2005 (RIM Exhibit 4).

That was NTP's unequivocal position after executing the detailed Term Sheet on March 13 that [

][1]

RIM similarly confirmed that [

][2] Indeed, the parties jointly prepared a press release at the time to "announce[] that they have signed a binding term sheet that resolves all current litigation between them."[3] The *evidence* (RIM Exhibits 1-4) before the Court shows that this litigation was settled on March 13. NTP's change of mind now does not undo the clear meeting of the minds and binding agreement then.

NTP submits no *evidence* to the contrary. NTP's opposition rests solely on bare attorney argument portraying

1. Term Sheet (RIM Ex. 2).

2. E-mail Agreement (RIM Ex. 4) (statement from RIM's counsel).

3. Joint Press Release (RIM Ex. 1).

an inaccurate story of the mediation process. Such hollow, self-serving rhetoric cannot rebut the strong evidence that this case settled on March 13.[4]

NTP's allegations also violate the mediation privilege imposed by Virginia statute (and applicable here) to preclude parties from disclosing in court what occurs during mediation (other than written agreements arising from the mediation – *e.g.*, RIM Exhibits 2-4).[5] Throughout its opposition, NTP makes allegations about positions the parties purportedly took during the settlement mediation. NTP tries to cast RIM in a derogatory light, depict RIM as unreasonable, and blame RIM for an alleged failure to finalize additional settlement documentation. NTP is fully well aware that the only way RIM can factually rebut NTP's baseless arguments and innuendo is to disclose point by point what actually occurred. But this is clearly precluded by the Virginia mediation privilege. The Court should set aside NTP's improper characterization of the mediation for two independent reasons: (1) such characterizations are bare argument unsupported by evidence and (2) the characterizations violate the mediation privilege.[6]

---

4. *Johnston v. IVAC Corp.*, 885 F.2d 1574, 1581 (Fed. Cir. 1989) (attorney argument no substitute for evidence); *In re Budge Mfg. Co.*, 857 F.2d 773, 776 (Fed. Cir. 1988) (statements of attorney are "no evidence").

5. *See* Va. Code Ann. § 8.01-581.22; Fed. R. Evid. 501 (state law privileges apply in federal court proceeding).

6. RIM considered filing a motion to seal NTP's brief last Friday before the Court made it publicly available. RIM learned, however,

(Cont'd)

Appendix B

Bottom line: Either the parties settled this case on March 13 or they did not. If the case settled on March 13, then it became moot on March 13. If moot, then the courts have no constitutional authority after March 13 to continue on the merits of the settled action.

NTP's purported "dispute" does not change the fact that this case either settled March 13 — and mooted this action — or it did not. The courts must resolve the "dispute" before proceeding further. The record evidence is clear that the case settled on March 13, and this Court may rule accordingly. But, as RIM's motion anticipates, this Court may decline to act as a court of first instance, and remand the settlement issue to the district court (as appellate courts typically do). Either way, the courts cannot take further action on the underlying merits of the action until first resolving the settlement/mootness issue. The Constitution absolutely forbids NTP's "shoot first and ask questions later" approach to the Article III case or controversy jurisdictional limit on judicial authority.

Finally, even if the Court had discretion to proceed with the underlying case, it still should stay the proceedings and remand to the district court to resolve and enforce the settlement. Otherwise, the Court would entirely frustrate a fundamental purpose for RIM's agreement to the particular terms of settlement when it did — *i.e.*, **immediate** cessation

---

(Cont'd)

that NTP already had distributed copies of its brief to the public — *including investment analysts* — thus rendering such a motion futile. RIM maintains the mediation privilege as to such disclosures and will seek recourse as and when appropriate.

of the litigation. The continued litigation places a cloud of uncertainty over RIM's business and RIM's ability to supply unique, leading technology that is used by businesses world-wide, and heavily relied on by U.S. government and emergency providers in times of crisis. In full acknowledgement of why RIM agreed to settle when it did, NTP agreed that [

]⁷ RIM's motion is consistent with that agreement, which belies NTP's feigned question of RIM's intent here.⁸ A stay of proceedings is consistent with this agreement and the strong public policy to enforce settlement agreements, rather than frustrate them. This Court recognizes that "courts favor dispute resolution through voluntary settlements" and "[t]hose who employ the judicial appellate process to attack a settlement . . . bear a properly heavy burden."⁹ A stay also will prevent wasting judicial resources on the underlying action if — as the evidence shows — the case is indeed settled, because the settlement dispute *must* be resolved, but the underlying action need not be if the case is settled.

---

7. E-Mail Agreement (RIM Ex. 4) (emphasis added).

8. *See* NTP Opp. at 2.

9. *S&T Manuf Co. v. County of Hillsborough*, 815 F.2d 676, 678-679 (Fed. Cir. 1987) (sanctioning patentee for challenging settlement in a "frivolous" appeal where — as here — the patentee had "no factual basis in the record" and "no analysis under any legal theory" supporting its challenge).

Appendix B

I. Mootness Is A Jurisdictional Limit On Judicial Authority.

The March 13 settlement triggers the duty of this Court to assess whether a case or controversy continues to exist. Where the Court cannot do so on its own and "where circumstances have changed between the ruling below and the decision on appeal, the preferred procedure is to remand to give the district court an opportunity to pass on the changed circumstances."[10] The constitutional case or controversy limit on judicial authority is a mandatory – not discretionary – jurisdictional requirement that must exist at all stages of review.[11] If this condition is not met, resolution of the case is no longer within the constitutional purview of the federal courts.[12]

---

10. *Concerned Citizens of Vicksburg v. Sills*, 567 F.2d 646, 649-50 (5th Cir. 1978) (citing *Korn v. Franchard Corp.*, 456 F.2d 1206, 1208 (2nd Cir. 1972)); *see also, Caldwell v. United States Dep't of Housing & Urban Dev.*, 522 F.2d 4, 6 (4th Cir. 1975) ("The matter of mootness in this setting is more properly addressed to the district court, where the facts surrounding the settlement may be ascertained, and the district court, of course, may dismiss the case, not merely the appeal, if it is in fact moot.").

11. *See* U.S. *CONST.* Art. III § 2, cl. 1; *see also Steffel v. Thompson*, 415 U.S. 452, 459 n.10 (1974) ("an actual controversy must be extant at all stages of review, not merely at the time the complaint is filed"); *Aqua Marine Supply v. Aim Machining*, 247 F.3d 1216, 1219 (Fed. Cir. 2001) ("[I]t is axiomatic that a federal court may not address 'the merits of a legal question not posed in an Article III case or controversy,' and that 'a case must exist at all stages of appellate review.') (quoting *US. Bancorp Mortgage Co. v. Bonner Mall Partnership*, 513 U.S. 18, 21 (1994)).

12. *See Foster v. Carson*, 347 F.3d 742, 747 (9th Cir. 2003) ("We do not have the constitutional authority to decide moot cases.").

"Settlement moots an action."[13] That is the case here. The evidence before the Court shows that this case was settled and rendered moot on March 13 when the parties executed the binding Term Sheet.[14] This raises a threshold jurisdictional issue that — whether disputed or not — the Court must address before proceeding any further on the merits of the underlying action.[15] NTP's "dispute" whether

---

13. *Gould v. Control Laser Corp.*, 866 F.2d 1391, 1392 (Fed. Cir. 1989) (citing *Lake Coal v. Roberts & Schaefer Co.*, 474 U.S. 120 (1985)).

14. *See IAL Aircraft Holding, Inc. v. FAA*, 216 F.3d 1304, 1306 (11th Cir. 2000) ("We evaluate our jurisdiction *at the moment* the alleged mooting event occurred.") (emphasis added); *Key Enter. of Delaware, Inc. v. Venice Hospital*, 9 F.3d 893, 897 (11th Cir. 1993) ("The point at which our jurisdiction is to be determined, however, is not the present but rather the moment the case settled.")

NTP's suggestion that a settlement does not moot an action until it is filed with the court, Opp. Br. at 6, is unsupported by case law. *See Estillette v. Estillette*, 555 F.2d 474 (5th Cir. 1977) (holding that action was moot absent any settlement agreement where parties to divorce proceedings informed court at oral argument that they had reconciled); *Principal Mut. Life Ins. Co. v. United States*, 29 Fed. Cl. 157, 162 (Ct. Fed. Cl. 1993), *aff'd* 50 F.3d 1021 (Fed. Cir. 1995) (rejecting argument that issue was not moot because settlement reflected in letter exchange had not been filed in stipulated of dismissal with the court).

15. *Donovan ex rel. Donovan v. Punxsutawney Area School Bd.*, 336 F.3d 211, 216 (3d Cir. 2003) ("At the outset, we must address whether Appellant's request for injunctive and declaratory relief has become moot . . . Although the parties did not raise the issue in their

(Cont'd)

a settlement exists does not convert the mandatory jurisdictional requirement into a discretionary one, but — at most — suggests the need to have an evidentiary hearing on the settlement dispute, which is more properly conducted by the district court. The Court, therefore, should immediately stay the appeal in this case and order a limited remand of the settlement dispute.

Even if staying proceedings were discretionary, NTP cites no prejudice flowing from a stay. None will occur. RIM pays money into escrow at an enhanced royalty rate for every day that passes, and RIM publicly confirmed that it also has set aside additional funds to satisfy the agreed $450 million. RIM has settled this case in good faith. The Court should allow RIM to prove the settlement before taking further action on this appeal that may frustrate that settlement and deprive RIM of the benefit of its bargain.

It should be clear what NTP actually seeks to achieve here. On March 13 (and now), RIM strongly believed in the merits of its petition for rehearing. But RIM agreed to settle this case then in order to **immediately** stop the looming uncertainties created by the continued litigation and its detrimental impact on RIM's business. As NTP well knows, if the Court proceeds with the underlying action, it will wholly frustrate a fundamental purpose for RIM agreeing to

---

(Cont'd)

original briefs, we resolve the issue *sua sponte* because it implicates our jurisdiction); *Rogin v. Bensalem Township*, 616 F.2d 680, 684 (3d Cir.1980) ("Inasmuch as mootness would divest us of jurisdiction to consider this appeal, we are obligated to address this issue as a threshold matter.").

the settlement (and its terms) when it did. NTP's actions here are nothing less than a strategy to extract more money and concessions from RIM than it agreed to on March 13 under the threat of that continued litigation.[16] NTP sees no downside to this tactic, viewing (perhaps improvidently) that its "worst case" is collecting $450 million in exchange for the bargain it actually struck on March 13.

II. The Court Should Remand To Allow the District Court to Interpret and Enforce the Settlement Agreement.

The record evidence is clear: the parties entered a binding settlement agreement on March 13. At most, NTP's opposition demonstrates why this case may need to be remanded to the district court for evidentiary and other proceedings on the settlement issue.[17] NTP's attempt now to renege on the settlement does not change the salient fact that, under controlling Virginia law, a binding agreement was entered March 13 that must be honored.

A. RIM presents compelling evidence of a binding settlement.

In Virginia, it is well established that a binding contract comes into existence even if it contemplates preparing more definitive documents later: "Where the minds of the parties

16. To that end, NTP apparently forwarded its misleading brief to securities analyst to use in evaluating RIM's stock.

17. *See Guinness PLC v. Ward*, 955 F.2d 875, 897 (4th Cir. 1992).

have met and they are fully agreed and they intend to be bound there is a binding contract even though a formal contract is later to be prepared and signed."[18] Thus, the Term Sheet's anticipation that the parties would prepare more formal final documents does not preclude the Term Sheet itself from being what it purports to be – and what the parties contemporaneously agreed it to be — *i.e.*, a binding settlement agreement.

NTP erroneously argues — without any evidentiary support — that there was no meeting of the minds between the parties.[19] But the only *evidence* of record establishes that the parties entered a binding agreement on March 13:

[ ] **Letter (RIM Ex. 3)**: First, RIM submits a letter from RIM to NTP dated February 9, 2005 that [

[20]

[21]

---

18. *Agostini v. Consolvo*, 153 S.E. 676, 679 (Va. 1930).

19. NTP Opp. at 3.

20. Letter (RIM Ex. 3).

21. Importantly, these ["Non-Monetary Terms" included a complete release from litigation and all past claims by NTP for damages against RIM, a fully paid license, and a global covenant not to sue]. Letter at 1-2 (RIM Ex. 3).

Appendix B

[22] These [ ] are expressly incorporated in the formal "Term Sheet."[23]

Executed Term Sheet (RIM Ex. 2): Second, RIM submits the Term Sheet itself. The Term Sheet states that the Parties [ ] indicating a meeting of the minds and full agreement on express terms.[24] For example, RIM is granted [ ][25] And RIM also is [ ][26] In consideration of these rights, the "Term Sheet" states that [ ].[27] There is little doubt the Term Sheet has all elements of a binding contract.

---

22. Letter (RIM Ex. 3).

23. *See* Term Sheet, ¶ a (RIM Ex. 2) [(including "the general terms set out in the letter . . . dated February 9, 2005 . . .")].

24. Term Sheet (RIM Ex. 2).

25. Letter at 2 (RIM Ex. 3).

26. Term Sheet, If (c) (RIM Ex. 2).

27. Term Sheet, ¶¶ (a), (b) (RIM Ex. 2).

Appendix B

E-mail Agreement (RIM Ex. 4): Third, RIM submits an e-mail agreement dated March 15, 2005 – immediately after the Term Sheet was executed – that provides contemporaneous evidence that the Term Sheet is a binding agreement.[28]

At that time, NTP's lead trial counsel stated unequivocally that [

]"[29]

Joint Press Release (RIM Ex. 1): Finally, RIM submits a joint press release, dated March 16, 2005, as further contemporaneous evidence that the parties entered a binding agreement.[30] This joint press release was made based on [

]"[31] Among other things, [ ] the parties "have signed a binding term sheet that resolves all current litigation between them."[32] In return, RIM "will pay to NTP US$450 million in final and full settlement of all claims to date against RIM, as well as for a perpetual, fully-paid up license going forward."[33]

---

28. E-Mail Agreement (RIM Ex. 2).

29. E-Mail Agreement (RIM Ex. 4) (emphasis added).

30. Joint Press Release (RIM Ex. 1).

31. E-Mail Agreement (RIM Ex. 4).

32. Joint Press Release (RIM Ex. 1).

33. Joint Press Release (RIM Ex. 1).

Appendix B

B. NTP's unsupported claim that the Term Sheet is "vague" at most is an issue of contract interpretation, not contract formation.

Virginia law recognizes that, because perfection is not attainable, "reasonable certainty is all that is required" in order to have a binding contract.[34] NTP's conjecture that the terms of the parties' settlement are somehow "vague" is made without any evidentiary support. Likewise, NTP fails to identify or even suggest that a material term is missing from the Term Sheet. Rather than "sparse" and "vague," the evidence demonstrates that the agreement was detailed, concrete, and strongly evidences a binding agreement, particularly given Virginia law's strong preference to construe contracts to preserve their enforceability.[35]

NTP's further suggestion that the parties' agreement is somehow ambiguous is similarly unsupported and unavailing. In any event, ambiguities are matters of contract interpretation — not formation — and are precisely the kind of matters to be resolved by the district court. A contract is not ambiguous merely because the parties disagree as to the meaning of terms.[36] The Supreme Court of Virginia recently spoke to the issue of ambiguities in contracts and held that contracts between parties are subject to basic rules of

---

34. *Smith v. Farrell*, 199 Va. 121, 128 (1975).

35. *See, e.g., Coastland Corp. v. Third National Mortgage Co.*, 611 F.2d 969, 976 (4th Cir. 1979) (citing *High Knob, Inc. v. Allen*, 138 S.E.2d 49, 53 (1964)).

36. *Ross v. Craw*, 231 Va. 206, 212-13 (1986).

interpretation and the terms, if ambiguous, will be given their reasonable meanings.[37] NTP's attempt to raise purported ambiguities in the Tenn Sheet as a reason for this Court to refuse a limited remand runs afoul of these basic precepts.

III. Conclusion

For the foregoing reasons, RIM respectfully requests this Court to stay the appeal and remand to the district court for further proceedings limited to enforcing and interpreting the parties' settlement agreement, including any discovery, briefing, and/or an evidentiary hearing as necessary to resolve that issue.

Respectfully submitted,

s/ [illegible]
Counsel for Defendant Appellant,
RESEARCH IN MOTION, LIMITED.

Dated: June 13, 2005

---

37. *TMDelmarva Power v. NCP of Va., L.L.C.*, 263 Va. 116, 119 (Va. 2002).

APPENDIX C — FACSIMILE FROM JAMES H. WALLACE, JR. OF WILEY REIN & FIELDING LLP DATED DECEMBER 14, 2005

Wiley Rein & Fielding LLP

December 14, 2005

VIA FACSIMILE:

202.496.7756
Herbert L. Fenster, Esq.
McKenna Long & Aldridge, LLP
1900 K Street, NW
Washington, D.C. 20006

415.434.1600
Martin R. Glick, Esq.
Howard Rice Nemerovski Canbady Falk & Rabkin, PC
Three Embarcadero Center, Seventh Floor
San Francisco, CA 94111

415.848.4999
Henry C. Bunsow, Esq.
Howry Simon Arnold & White
525 Market Street, Ste 3600
San Francisco, CA 94105

Re: NTP v. RIM

Dear Gentlemen:

As you know, Judge Spencer ruled on November 30, 2005 that "the parties do not have a valid and enforceable

settlement agreement." Footnote 3 of your cert. petition suggests that the issue is finally resolved.

Please advise us by 5:00 p.m. ET on Friday, December 16, whether this is an issue that RIM will preserve for appeal or whether it waives any appeal on this issue.

Best regards,

James H. Wallace, Jr.

APPENDIX D — ORDER OF THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF VIRGINIA, RICHMOND DIVISION FILED DECEMBER 16, 2005

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

Civil Action Number 3:01CV767-JRS

NTP, INC.,

Plaintiff,

v.

RESEARCH IN MOTION, LTD.,

Defendant.

ORDER

THIS MATTER comes before the Court for the purpose of scheduling the necessary briefing on the remaining issues relating to NTP's request for injunctive relief and appropriate damages in light of the decision from the United States Court of Appeals for the Federal Circuit in *NTP, Inc. v. Research In Motion, Ltd.*, 418 F.3d 1282 (Fed. Cir. 2005). Upon due consideration, it is hereby ORDERED that:

1. The parties are DIRECTED to submit simultaneous briefs addressing both the remaining issues related to injunction and appropriate damages. The parties' briefs

shall be due on or before Tuesday, January 17, 2006, at 5:00 PM.

2. Both parties' responsive briefs shall be due on or before Wednesday, February 1, 2006, at 5:00 PM.

3. The United States Department of Justice ("DOJ") is granted leave to submit a brief, if it deems necessary, addressing the scope and timing of implementing an injunction, if granted.

    a. The brief of DOJ shall be due on or before February 1, 2006, at 5:00 PM.

    b. The brief of DOJ shall not exceed thirty-five (35) pages, double spaced.

4. The parties' initial and responsive briefs—including footnotes, but excluding affidavits, exhibits, and supporting documentation—shall not when combined, exceed a total of eighty (80) pages, double spaced. The Court will not consider any additional briefing beyond the responsive briefs.

5. The Court will contact the parties in January 2006 to schedule a hearing date on both issues.

The Clerk is directed to fax a copy of this Order to local counsel for Plaintiff, Jack E. McClard, and for Defendant, Robert M. Tyler, and send a copy of this Order to all counsel of record.

Appendix D

It is SO ORDERED.

s/ James R. Spencer
James R. Spencer
UNITED STATES DISTRICT JUDGE

December 16, 2005
DATE

(5)

No. 05-763

FILED
JAN 3 - 2006
OFFICE OF THE CLERK
SUPREME COURT, U.S.

IN THE

Supreme Court of the United States

RESEARCH IN MOTION, LTD.,
Petitioner,

v.

NTP, INC.,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

PETITIONER'S REPLY BRIEF

GORDON D. GIFFIN
MCKENNA LONG & ALDRIDGE LLP
303 Peachtree Street, N.E.
Atlanta, GA 30308
(404) 527-4000

HERBERT L. FENSTER
Counsel of Record
LAWRENCE S. EBNER
JAMES D. THAYER
MCKENNA LONG & ALDRIDGE LLP
1900 K Street, N.W.
Washington, D.C. 20006
(202) 496-7500

Attorneys for Petitioner

[Additional counsel on inside cover]

WILSON-EPES PRINTING CO., INC. – (202) 789-0096 – WASHINGTON, D. C. 20001

HENRY C. BUNSOW
DAVID W. LONG
MARK L. WHITAKER
HOWREY LLP
1299 Pennsylvania Ave., N.W.
Washington, D.C. 20004
(202) 383-7073

MARTIN R. GLICK
HOWARD RICE NEMEROVSKI
CANADY FALK & RABKIN
Three Embarcadero Center
Seventh Floor
San Francisco, CA 94111
(415) 434-1600

TABLE OF CONTENTS

Page

1. This Case Presents Important Issues Concerning the Extraterritorial Application of U.S. Patent Law 1

2. The Federal Circuit's Approach To Extraterritoriality Is Inconsistent With Supreme Court Precedent And The Approach Of Every Other Court Of Appeals. 6

3. This Case Falls Squarely Within This Court's Jurisdiction And Offers An Ideal Vehicle To Resolve The Question Presented 9

CONCLUSION 10

TABLE OF AUTHORITIES

Page

CASES

Brown v. Duchesne, 60 U.S. (19 How.) 183 (1856)..... 5
Decca Ltd. v. United States, 544 F.2d 1070 (Ct. Cl. 1976)..... 7, 8
Deepsouth Packing Co., Inc. v. Laitram Corp., 406 U.S. 518 (1972)..... 3, 4, 7
Denty v. SmithKline Beecham Corp., 109 F.3d 147 (3d Cir. 1997)..... 6
EEOC v. Arabian American Oil Co., 499 U.S. 244 (1991)..... 6, 9
Kollias v. D & G Marine Maintenance, 29 F.3d 67 (2d Cir. 1994)..... 6
Lemelson v. United States, 752 F.2d 1538 (Fed. Cir. 1985)..... 7
Nieman v. Dryclean U.S.A. Franchise Co., Inc., 178 F.3d 1126 (11th Cir. 1999)..... 6
Searfoss v. Pioneer Consolidated Corp., 374 F.3d 1142 (Fed. Cir. 2004)..... 5
Smith v. United States, 507 U.S. 197 (1993)..... 6
Subafilms, Ltd. v. MGM-Pathe Communications Co., 24 F.3d 1088 (9th Cir. 1994)..... 6
United States v. Spelar, 338 U.S. 217 (1949)..... 6
United States v. Yakou, 428 F.3d 241 (D.C. Cir. 2005).... 6
Warner-Jenkinson Co., Inc. v. Hilton Davis Chem. Co., 520 U.S. 17 (1997)..... 4

STATUTES AND REGULATIONS

28 U.S.C. § 1498 7
35 U.S.C. § 271(a)..... *passim*

PETITIONER'S REPLY BRIEF[1]

This case presents a question of critical significance in today's increasingly borderless world—whether the patent laws (specifically, 35 U.S.C. § 271(a)), which Congress expressly limited to conduct occurring "within the United States," can be judicially extended to reach a transnational telecommunications system with *extraterritorial* components and functions. While NTP contends that the Federal Circuit merely applied run-of-the-mill patent principles to this case, nothing could be further from the truth.

NTP's opposition brief fails to address at all the wholly arbitrary line that the Federal Circuit has drawn through the heart of U.S. patent law by concluding that some kinds of claims can be infringed extraterritorially while others cannot based solely on how the patent drafter chooses to label a claim. Worse yet, the decision below dramatically departs from the bedrock presumption against the extraterritorial application of U.S. laws applied by the Supreme Court and every other federal court of appeals when interpreting the proper scope of U.S. laws. Left unchecked, this decision will have sweeping effects on U.S. patent law enforcement, ultimately interfering with the intellectual property laws of other nations and imposing U.S. legal standards on foreign nationals based on conduct occurring at least in part on foreign soil. NTP again, however, has no answer and instead attempts to distract the Court from the critical issues by marshaling various trumped up arguments about the appropriateness of certiorari. These red herrings pose no obstacle to review by this Court of a clearly erroneous decision with important international implications.

1. This Case Presents Important Issues Concerning the Extraterritorial Application of U.S.

---

[1] The Rule 29.6 corporate disclosure statement filed with the petition remains accurate.

Patent Law. NTP seeks to deny the important international implications of this case by contending that RIM's BlackBerry system is "not 'an Internet-based global telecommunications system'" and therefore not genuinely transnational. Opp. at 26. Indeed, NTP repeatedly asserts that the accused system concerns customers "who send and receive email messages entirely within the United States" and nothing more. Opp. at 1; *see also id.* at 2, 11, 15-16, 25-27. That astonishing assertion, however, denies the very facts of this case. The critical component of RIM's BlackBerry system—the Network Control Center—through which all such messages flow, is indisputably located in Canada.[2] Moreover, the BlackBerry system is truly a global one—a user in the United States can receive emails sent from almost anywhere in the world.

NTP's assertion that BlackBerry customers use the accused *system* "within the United States" when they use their handheld BlackBerry devices in Lafayette Park (or elsewhere) thus assumes the conclusion. Opp. at 16. NTP's patents do not purport to cover only the handheld devices. Rather, they cover an entire *system* of which a handheld device is just *one component,* and one that NTP does not even claim to have invented. *See* Pet. at 3-4. Indeed, the Federal Circuit noted that "[t]his case presents an added degree of complexity" precisely *because* "the 'patented invention' is not one single device, but rather a system comprising multiple distinct components. . . ." App. 49a.

---

[2] Indeed, NTP describes the crux of its invention as the "integration of an electronic mail system with a RF information transmission network." Opp. at 4. In RIM's system, the "integration" that NTP claims is central to its invention occurs at the Network Control Center in Canada, which controls and manages millions of emails sent from dozens of countries throughout the world through the "electronic mail system" and onto various "RF . . . network[s]." Far from being a passive component with a "limited function" as NTP suggests, the Network Control Center is the heart and brains of the BlackBerry system. *See* Pet. at 4-7.

Whether use of a single component of the system within the United States is sufficient to violate § 271(a) is, of course, the very question presented—a question with implications for every user of a transnational system, whether by the Internet or some other means.

Under the reasoning of the decision below, every person who uses a wireless BlackBerry handheld device in the United States is an infringer, notwithstanding that a claimed component of the BlackBerry system, the Network Control Center, is located and operated entirely in Canada. The Federal Circuit's decision thus improperly conflates the location of the *user* with the location of the *invention*. Under the decision below, anyone who uses the Internet in the United States to access a system could infringe that system even if it is located and operates partially or entirely *outside* the United States.

In reaching this astonishing conclusion, the Federal Circuit grafted an entirely arbitrary distinction onto the patent laws, under which an accused infringer's liability depends entirely on whether the asserted claim is labeled as a so-called "system" claim rather than a "method" claim. The Federal Circuit concluded below that, as a matter of law, RIM could not infringe NTP's method claims *precisely because of the foreign location* of RIM's Network Control Center in Canada. That holding was, of course, compelled by this Court's ruling in *Deepsouth Packing Co., Inc. v. Laitram Corp.*, 406 U.S. 518 (1972). Yet, when it came to NTP's system claims, the court reached the opposite conclusion, even though the system claims contain the same litany of "steps" and much of the same functionality contained in the method claims—as is typically the case.

Its rationale for so doing—that use of a system, as opposed to a method, occurs *as a whole* wherever beneficial use of the system occurs—simply will not withstand scrutiny. In *Deepsouth*, this Court made clear that the "patented invention" means the operable assembly of *all*

parts of the invention—not merely some, or even substantially all, of the claimed components of an invention. *See* 406 U.S. at 528; *see also Warner-Jenkinson Co., Inc. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 29 (1997) (holding that infringement must be adjudged as to each of the "individual elements of the claim"). Thus, it follows that to use the patented invention disclosed in a system claim "within the United States," *all* claimed components and functionality of that system must be used within the U.S.

There is no principled reason or statutory basis for distinguishing the claims at issue here. The lower court admitted that just as method claims are comprised of "multiple distinct steps," system claims are also comprised of "multiple distinct components." App. 49a. If the extraterritoriality of any claim element is sufficient to defeat an infringement action under one type of patent claim, it should likewise be sufficient to defeat infringement under another as well.

A comparison of the key limitations implicating extraterritorial issues in Claim 32 (a method claim) and Claim 15 (a system claim) of the '960 patent demonstrates the absurdity of this distinction (identical language in bold):

A method ... **comprising:**	A system . . . **comprising:**
...	...
transmitting the originated information received from the gateway switch from the interface switch to a RF information transmission network;	at least one interface switch. . . **transmitting the originated information received from the gateway switch from the interface switch to the RF information transmission network;**
...	...
the originated information is transmitted to the interface switch by the gateway switch in response to an address of the interface switch which has been added to the originated information at the one of the plurality of originating processors or by the electronic mail system and the originated	**the originated information is transmitted to the** one **interface switch by the** one **gateway switch in response to an address of the** one **interface switch which has been added to the originated information at the one of the plurality of originating processors or by the electronic mail system and the**

information is transmitted from the interface switch to the RF information transmission network with an address of the at least one of the plurality of destination processors to receive the originated information which has been added at the originating processor, or by either the electronic mail system or the interface switch.	**originated information is transmitted from the one interface switch to the RF information transmission network with an address of the at least one of the plurality of destination processors to receive the originated information which has been added at the originating processor, or by either the electronic mail system or the one interface switch; ...**

Because the system claim (Claim 15) requires that the exact same acts or steps be performed as the method claim (Claim 32), it follows that the Federal Circuit's holding as to the method claims—that the "use" occurs where the recited acts or steps are performed—applies equally to the system claims. *See* Pet. at 25. In giving disparate treatment to system and method claims that employ nearly identical wording, the Federal Circuit ignored its own long-standing holding that claim interpretation begins and ends in all cases with the actual words of the claim. *See, e.g., Searfoss v. Pioneer Consol. Corp.*, 374 F.3d 1142, 1149 (Fed. Cir. 2004).

Notably, NTP limits its discussion of this fundamental inconsistency to a single footnote in which it does little more than merely repeat the flawed analysis of the decision below. Opp. at 10 n.5. At bottom, NTP cannot deny that the decision below is illogical, and in conflict with controlling Supreme Court and Federal Circuit precedent. The decision entrusts the international boundaries of patent liability to the whims of patent drafters, who arbitrarily elect whether to use a "system" or "method" label in drafting the preamble to patent claims, rather than to the clearly expressed will of Congress. That alone demands review by this Court. *Cf. Brown v. Duchesne*, 60 U.S. (19 How.) 183, 197 (1856) (refusing to construe patent statute in a manner that would "confer on patentees not only rights of property, but also political power, and enable them to embarrass the

treaty-making power in its negotiations with foreign [nations]").

2. The Federal Circuit's Approach To Extraterritoriality Is Inconsistent With Supreme Court Precedent And The Approach Of Every Other Court Of Appeals. This Court has long held "that legislation of Congress, unless a contrary intent appears, is meant to apply only within the territorial jurisdiction of the United States." *EEOC v. Arabian Am. Oil Co.*, 499 U.S. 244, 248 (1991) ("*Aramco*"); *see also Smith v. United States*, 507 U.S. 197, 204 (1993). And, of course, "Congress legislates against the backdrop of the presumption against extraterritoriality." *Aramco*, 499 U.S. at 248. This presumption is "doubly fortified" when extraterritorial reach is circumscribed "by the language of th[e] statute and the legislative purpose underlying it." *United States v. Spelar*, 338 U.S. 217, 222 (1949). Unsurprisingly, when confronted with extraterritorial application of U.S. laws, every other federal court of appeals applies these well settled-principles. *See, e.g.*, *United States v. Yakou*, 428 F.3d 241 (D.C. Cir. 2005) (interpreting the Brokering Amendment to the Arms Export Control Act); *Denty v. SmithKline Beecham Corp.*, 109 F.3d 147 (3d Cir. 1997) (interpreting the Age Discrimination in Employment Act); *Nieman v. Dryclean U.S.A. Franchise Co., Inc.*, 178 F.3d 1126 (11th Cir. 1999) (interpreting the Federal Trade Commission Act); *Kollias v. D & G Marine Maint.*, 29 F.3d 67 (2d Cir. 1994) (interpreting the Longshore and Harbor Workers' Compensation Act); *Subafilms, Ltd. v. MGM-Pathe Commc'ns Co.*, 24 F.3d 1088 (9th Cir. 1994) (interpreting the Copyright Act). NTP, however, has no answer for the Federal Circuit's inconsistency with this prevailing precedent.

The decision below fails even to acknowledge any presumption against extraterritoriality, despite the plain text of § 271 limiting its application to actions "within the United States." This phrase is not unique—it appears in countless

statutes. It plainly indicates Congress's intent to *limit*, not extend, the reach of § 271(a). The decision below is all the more astonishing in light of the Federal Circuit's concession that "it is *unclear* from the statutory language" whether § 271(a) covers the extraterritorial conduct at issue. App. 52a (emphasis added). Given this concession, the Federal Circuit's decision cannot be squared with this Court's longstanding precedent requiring "a *clear and certain* signal from Congress" before expanding the reach of U.S. patent laws. *Deepsouth*, 406 U.S. at 531 (emphasis added).

Certainly there is no precedent for the Federal Circuit's extraordinary new ruling that "[t]he use of a claimed system under section 271(a) is the ... place where control of the system is exercised and beneficial use of the system obtained." App. 55a. This is indisputably a *new* definition of use never before applied to § 271(a) that will lead to confusion and potentially limitless expansion of U.S. patent law. Under this formulation of use, a potential infringer could be held liable under § 271(a) even if *not a single component* of a claimed system is located "within the United States" but some individual arguably "controls" the system and derives some "benefit" within the United States.[3]

NTP's reliance on *Decca Ltd. v. United States*, 544 F.2d 1070 (Ct. Cl. 1976), is unavailing. *Decca* involved the unique provisions of 28 U.S.C. § 1498, not 35 U.S.C. § 271(a). It is well settled that "a section 1498 action and a

---

[3] NTP argues that RIM's suggested interpretation of § 271(a) would create a "jurisdictional loophole" that would allow an infringer purposefully to evade U.S. patent law. Opp. at 1, 21-22. That is plainly not the case with respect to RIM, which always has been a Canadian company that, not surprisingly, operated its Network Control Center at its headquarters in Waterloo, Ontario well before it received notice of NTP's patents. In any case, the precise calibration of U.S. patent law is for Congress to decide, not the courts. *See Deepsouth*, 406 U.S. at 530-31. If Congress concludes that the term "use" in § 271(a) should be replaced with term "control and beneficial use," it can amend the statute.

title 35 action are only parallel and not identical." *Lemelson v. United States*, 752 F.2d 1538, 1548 (Fed. Cir. 1985).

In any event, the Federal Circuit's formulation of a "control and beneficial use" test is inconsistent with the actual analysis articulated in *Decca* that required, among other factors, that the patent's contribution to the art (in this case the "integration" of an email and RF system) be situated within the United States. Moreover, the *Decca* court constructed its test in the context of a statute that is focused exclusively on the conduct and liability of the U.S. federal government, and relied heavily on the fact that the U.S. Government equipment at issue was located abroad with the consent of the Norwegian Government. The court reasoned that with such consent came an implied understanding Norway would "abstain from any application of its own patent law that would interfere with the intended use." *See* 544 F.2d at 1074, 1082-1083. As a result, conflict with foreign patent law was not implicated. While the *Decca* court thus distinguished *Deepsouth* and indicated it had no need to (and therefore did not) give consideration to the requirement of prescriptive comity under which U.S. laws are interpreted to avoid unreasonable interference with the sovereign authority of other nations, that concern is prevalent under § 271(a), which addresses the activities of private entities.[4]

---

[4] NTP's contention that Congress has cited *Decca* disapprovingly for not extending extraterritorial application of U.S. patent laws far enough is also nonsense. Opp. at 21. In the reports cited by NTP, Congress merely cites *Decca* in passing in the context of considering whether spacecraft would in fact be considered U.S. territory under current case law. Congress nowhere suggested that § 271(a) had not been applied broadly enough by the courts in private infringement suits. Indeed, as in all instances when it has broadened the territorial reach of the patent laws, Congress left § 271(a) undisturbed and enacted an entirely new provision to reach outer space activities. *See* Pet. at 19 n.8.

As the Canadian Government discussed in its amicus briefs below, these concerns are central here because the BlackBerry system's critical component, the Network Control Center, is subject to Canada's patent laws. The presumption against extraterritoriality operates precisely to "protect against unintended clashes between our laws and those of other nations which could result in international discord." *Aramco*, 499 U.S. at 248. Yet, NTP's opposition wholly ignores the fundamental encroachment on comity of the opinion below. The international sensitivities presented by this case further counsel this Court's review.

3. This Case Falls Squarely Within This Court's Jurisdiction And Offers An Ideal Vehicle To Resolve The Question Presented. There is no bar to this Court's exercise of jurisdiction in this case. NTP concedes "that this Court has jurisdiction on the ground recited in RIM's petition." Opp. at 1. Indeed, contrary to its bizarre "alert" to this Court, *id.*, at NTP's urging, the Federal Circuit exercised appellate jurisdiction despite a settlement dispute between the parties, and then on remand, again at NTP's urging, the district court ruled that there is no enforceable settlement between the parties, *see* Pet. at 10 n. 3 & App. 176a. Now the district court has ordered briefing on damages and the entry of a permanent injunction.

NTP's other objections to review are likewise distractions that are wholly without merit.[5] The Federal

---

[5] NTP's misleading and irrelevant assertions regarding changing litigation positions are not well taken. RIM argued below, as it does now, that *Decca* is distinguishable since the situs of the control center in the BlackBerry system is outside the United States. NTP's suggestion of waiver is belied by its failure to actually identify any such waiver. Opp. at 27-28. Its assertion that further percolation is somehow necessary here is unfounded. This not only is a case where there is cause for concern regarding how courts in the future may interpret Federal Circuit precedent, Opp. at 27, but also where the Federal Circuit has blatantly

(footnote continued on next page)

Circuit held that RIM could not infringe the method claims under *any* of the subsections of § 271, and NTP has not cross-petitioned for review of that determination. For similar reasons, none of those other subsections could or do provide an alternate ground of affirmance as to the system claims. Thus, NTP's assertion that the Court should not grant review merely because § 271 has multiple provisions, some of which were not specifically addressed in the opinion below, is without merit. Opp. at 5-6, 29. Similarly, NTP's argument that the Court should not grant review because RIM did not appeal findings of inducement or contributory infringement is wholly without merit. Indeed, as RIM argued on appeal, it is blackletter patent law that there cannot be a finding of such secondary liability where there is no underlying act of infringement. *See* Opp. at 2, 12.

Finally, NTP's contention that granting this petition would have no effect because the question presented does not encompass the findings of liability under the '592 patent is simply wrong. Opp. at 3, 29-30. The asserted "system" claims, including the '592 patent claims, require specific acts that NTP alleges are performed by the Network Control Center in Canada. Although the '592 claims do not use the term "interface," they include limitations that occur through, and under control of, the Network Control Center. This Court's decision on the merits would thereby control the ultimate resolution of the case.

CONCLUSION

The petition for a writ of certiorari should be granted.

(footnote continued from previous page)

misapplied this Court's precedent regarding extraterritoriality and, in so doing, departed from the company of its sister circuits.

Respectfully submitted,

GORDON D. GIFFIN
MCKENNA LONG & ALDRIDGE LLP
303 Peachtree Street, N.E.
Atlanta, GA 30308
(404) 527-4000

HERBERT L. FENSTER
Counsel of Record
LAWRENCE S. EBNER
JAMES D. THAYER
MCKENNA LONG & ALDRIDGE, LLP
1900 K Street, N.W.
Washington, D.C. 20006
(202) 496-7500

HENRY C. BUNSOW
DAVID W. LONG
MARK L. WHITAKER
HOWREY LLP
1299 Pennsylvania Ave., N.W.
Washington, D.C. 20004
(202) 383-7073

MARTIN R. GLICK
HOWARD RICE NEMEROVSKI CANADY FALK & RABKIN
Three Embarcadero Center
Seventh Floor
San Francisco, CA 94111
(415) 434-1600

Attorneys for Petitioner

January, 2006

MOTION FILED
JAN 9 - 2012

(6)

No. 05-763

IN THE

Supreme Court of the United States

RESEARCH IN MOTION, LTD.,

Petitioner,

v.

NTP, INC.,

Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

MOTION FOR LEAVE TO FILE BRIEF AS AMICUS CURIAE AND BRIEF FOR THE GOVERNMENT OF CANADA AS AMICUS CURIAE IN SUPPORT OF THE PETITION

HOMER E. MOYER, JR.
Counsel of Record
MICHAEL T. BRADY
LAURA G. FERGUSON
MILLER & CHEVALIER
Chartered
655 15th Street, NW, Ste. 900
Washington, D.C. 20005-5701
(202) 626-5800

IN THE

Supreme Court of the United States

RESEARCH IN MOTION, LTD.,

Petitioner,

v.

NTP, INC.,

Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

MOTION OF THE GOVERNMENT OF CANADA FOR LEAVE TO FILE BRIEF AS AMICUS CURIAE

The Government of Canada respectfully moves for leave to file the attached brief as amicus curiae in this case. Counsel for petitioner has consented to the filing of this brief, but counsel for respondent has conditioned consideration of its consent on terms unacceptable to Canada.

The question in this case relates to the territorial scope of the U.S. patent laws. Specifically, the case presents the question whether a transnational telecommunications system with a component in Canada (the BlackBerry system) is used "within the United States" for purposes of section 271(a) of the Patent Act. The decision below, with its emphasis on the location of

the user rather than the location of the components of the system and its distinction between method and use claims, presents a new formulation of the territorial scope of section 271(a). Canada believes that fostering and protecting innovation requires clarity and predictability in the application of domestic patent laws.

As the sovereign in whose territory the BlackBerry system is partially located, a key U.S. trading partner, a party to international treaties governing intellectual property rights, and a user of the BlackBerry system, the Government of Canada has a strong interest in this case and believes that the Court would benefit from the views expressed herein.

Respectfully submitted,

HOMER E. MOYER, JR.
Counsel of Record
MICHAEL T. BRADY
LAURA G. FERGUSON
MILLER & CHEVALIER
Chartered
655 15th Street, NW, Suite 900
Washington, D.C. 20005-5701
(202) 626-5800

January 2006

TABLE OF CONTENTS

Page

TABLE OF AUTHORITIES ii
INTEREST OF THE AMICUS CURIAE 1
INTRODUCTION 4
ARGUMENT 7
CONCLUSION 12

TABLE OF AUTHORITIES

Page

CASES

Brown v. Duchesne, 60 U.S. (19 How.) 183 (1856) 7

Decca Ltd. v. United States, 544 F.2d 1070 (Ct. Cl. 1976) 8-9

Deepsouth Packing Co. v. Laitram Corp., 406 U.S. 518 (1972) 7-8

F. Hoffman-La Roche Ltd. v. Empagran S.A., 542 U.S. 155 (2004) 11

Hartford Fire Ins. Co. *v. California*, 509 U.S. 764 (1993) 11

Menashe Business Mercantile Ltd. v. *William Hill Organization, Ltd.*, [2002] E.W.J. No. 5413, E.W.C.A. Civ. 1702 (Court of Appeals, Civ. Div., Nov. 28, 2002), [2003] All E.R. 279 (C.A. 2002) 6

MercExchange, LLC v. eBay, Inc., 401 F.3d 1323 (Fed. Cir. 2005) 6

Murray v. Schooner Charming Betsy, 6 U.S. 64 (1804) 11

STATUTES

28 U.S.C. § 1498 3

35 U.S.C. § 271 ..... *passim*

TREATY

Paris Convention for the Protection of Industrial Property, opened for signature March 20, 1883, as revised at Stockholm July 14, 1967, 21 U.S.T. 1583, 828 U.N.T.S. 305 ..... 2, 10

MISCELLANEOUS

Graeme B. Dinwoodie, *The Architecture of the International Intellectual Property System*, 77 Chicago-Kent L. R. 993, 996 (2002) 11

Restatement (Third) of Foreign Relations Law of the United States §§ 403(1), 403(2) (1986) 11

IN THE

Supreme Court of the United States

RESEARCH IN MOTION, LTD.,

Petitioner,

v.

NTP, INC.,

Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

BRIEF FOR THE GOVERNMENT OF CANADA AS AMICUS CURIAE IN SUPPORT OF THE PETITION

INTEREST OF THE AMICUS CURIAE

The Government of Canada expresses its appreciation to the Court for the opportunity to express its views, as amicus curiae, in connection with the Petition for a Writ of Certiorari filed in this case.[1] Among the interests that the Government of Canada has in this case are the following.

[1] Pursuant to Supreme Court Rule 37.6, counsel for a party neither authored this brief in whole or in part, and no person or entity

(footnote continued on next page)

First, the Government of Canada has a strong interest in the protection of intellectual property rights and in fostering the innovation that forms the basis of, and is promoted by, such rights. Canada recognizes that compliance with applicable intellectual property laws is best encouraged and enabled where the law is clear and predictable respecting liabilities that may arise. Clarity and predictability are especially important when, as in this case, technology in one national jurisdiction is alleged to infringe intellectual property rights in another.

Second, like the United States, Canada is a party to the Paris Convention for the Protection of Industrial Property, opened for signature March 20, 1883, as revised at Stockholm July 14, 1967, 21 U.S.T. 1583, 828 U.N.T.S. 305. Both countries are committed participants to the international intellectual property law regime that has arisen from the Paris Convention. The Paris Convention did not contemplate the transnational technology issue presented in this case. Just as domestic intellectual property law must be re-interpreted to address novel, unanticipated situations presented by new technology, so must international law. Whether and how the decision in this case affects the inter-relationship between U.S. domestic law and the Paris Convention is of direct interest to Canada.

(footnote continued from previous page)
other than the Government of Canada made a monetary contribution to the preparation or submission of this brief. Although not relevant to its interests in this case, the Government of Canada notes that through Industry Canada it has extended financial assistance to petitioner through the Technology Partnerships Canada program. As of December 30, 2005, Industry Canada's outstanding assistance to petitioner totaled approximately $34,000,000 (Cdn). Earlier assistance of approximately $5.7 million (Cdn) has been satisfied in full.

Third, the unique and important trade relationship between Canada and the United States also forms a basis for Canada's interest in this case. Canada and the United States share the largest bilateral trading relationship in the world, with trade in goods and services of over $1.2 billion crossing the border every day. As the economies of Canada and the United States grow increasingly interdependent, advances in system, network, and communication technologies can be expected to give rise to increasing numbers of private disputes seeking to enforce intellectual property rights in respect of technology that simultaneously is located and operates in more than one national jurisdiction. Here, the "Relay" component of petitioner's wireless BlackBerry network is located in Canada. Pet. App. 7a.

Finally, like the Government of the United States, the Government of Canada has come to rely heavily on the BlackBerry system. An injunction barring BlackBerry use in the United States may soon issue from the United States District Court for the Eastern District of Virginia. Such an injunction would disrupt communications with and among Canada's embassy, consular offices, and other diplomatic offices in the United States, just as it could potentially affect communications with and among the offices of the U.S. government. The Government of the United States, however, benefits from a statutory exemption (28 U.S.C. § 1498(a)) that likely would allow it to continue to rely on the BlackBerry system in the United States. The statutory exemption, however, does not apply to foreign governments, such as the Government of Canada. Given these potential repercussions, the Government of Canada also has a practical interest in seeing authoritative answers to the novel legal issues that this case presents, particularly in light of the recent determination by the U.S. Patent and Trademark Office that calls into question the validity of the underlying patents on which this entire legal struggle has been predicated.

INTRODUCTION

The Government of Canada supports review by the Court because authoritative clarification of the legal issues that this case presents would be valuable both within and outside the United States. Issues affecting transnational technology and communications systems will undoubtedly arise with increasing frequency in both Canada and the United States. Because the issues of statutory construction presented in the petition will have significant consequences for the use of new and developing technologies in both Canada and the United States, Canada is of the view that Supreme Court review of this statutory provision would provide timely and needed certainty with respect to its application.[2]

The technology at issue in this patent dispute integrates existing electronic mail systems with radio frequency wireless communication systems to enable a mobile user to receive email over a wireless network. Pet. App. 3a. The petitioner, Research in Motion, Ltd. ("RIM"), a Canadian corporation, operates such a system under the BlackBerry trademark *Id.* at 6a. Respondent, NTP, Inc., alleges that the BlackBerry system infringes its U.S. patents. In the district court proceeding, a jury found for NTP. *See id.* at 2a. The Federal Circuit affirmed the district court's judgment of infringement in part, reversed in part, and vacated and remanded in part.

---

[2] Canada continues to believe, as stated in amicus briefs filed with the Federal Circuit, that the issues in this case merit explicit and authoritative consideration of comity and treaties. In this connection, however, we note that the petition's representation that Canada filed the amicus briefs to "protest" the Federal Circuit's "extraterritorial application of § 271(a) to the transnational BlackBerry system," Pet. at 27 n.11, overstates Canada's position. The same may be said of the characterization of Canada's position in petitioner's reply brief at page 9.

Section 271(a) of the Patent Act defines infringement to include the unauthorized use of a patented invention "within the United States." 35 U.S.C. § 271(a). The Federal Circuit concluded that the BlackBerry system is used "within the United States" even though the BlackBerry Relay is located in Canada. Pet. App. 55a-56a. Email messages sent on the BlackBerry system "travel[] through the BlackBerry Relay, where [they are] translated and routed from the processors in the user's email system to a partner wireless network." *Id.* at 8a. Petitioner refers to the Relay as the "Network Control Center" of the BlackBerry system and characterizes it as the system's "indispensable electronic brain." Pet. at 4.

Notwithstanding the location of the Relay in Canada, the Federal Circuit held that the BlackBerry system is used "within the United States" because "RIM's customers located within the United States controlled the transmission of the originated information and also benefited from such an exchange of information." Pet. App. 56a.

The statutory construction issue this case presents arises in the context of a statute that historically has been confined in its territorial reach. When it has had occasion to consider section 271(a), the Court has construed it narrowly and has emphasized its limited territorial scope. The transnational technologies that now exist and that are under development were not contemplated when section 271(a) was enacted. Transnational technologies present novel issues regarding when a technology can be considered to be sufficiently used within a national territory that it falls within the jurisdiction of that country's patent laws. Depending on the facts of a particular case, the application of domestic intellectual property laws to a transna-

tional technology may raise issues of international law, conflicts of laws, and comity.[3]

The Federal Circuit's interpretation of section 271(a), with its emphasis on the location of the users rather than the components of a system and its distinction between "method" claims and "system" claims, represents a novel application of the statute. The Federal Circuit's interpretation has implications for the international intellectual property law regime and, depending on the factual setting of a given patent dispute, could raise issues of overlapping national jurisdiction.

The issues in this case, involving as they do the application of domestic law to technology systems that have a transnational dimension, merit a close, explicit, authoritative discussion, which was not undertaken by the Federal Circuit and which the Court is uniquely situated to provide.

The serious consequences of a finding of infringement also warrant the Court's review of the extent of U.S. patent infringement jurisdiction. The Federal Circuit has adopted the position that a permanent injunction usually issues upon the finding of an infringement. *See MercExchange, LLC v. eBay Inc.*, 401 F.3d 1323 (Fed. Cir. 2005), *cert. granted*, 163 L. Ed 2d 567, 2005 U.S. LEXIS 8572, 74 U.S.L.W. 3321 (U.S. 2005). This is the case even where the validity of the patents has been called into question by an adverse preliminary determination by the Patent and Trademark Office, as they recently have been here, and where the patent claimant does not practice the patent, as is the case with NTP. Given the scale of these

---

[3] In *Menashe Business Mercantile Ltd. v. William Hill Organization, Ltd.*, the United Kingdom exercised patent jurisdiction over a transnational technology. [2002] E.W.J. No. 5413, E.W.C.A. Civ. 1702 (Court of Appeals, Civ. Div., Nov. 28, 2002), [2003] All E.R. 279 (C.A. 2002). As with the decision below, the *Menashe* decision also did not discuss international law, conflicts of law, or comity.

potential repercussions, review by the Court of any expansion of the statutory definition of patent infringement is especially important.

ARGUMENT

It is a longstanding tenet of U.S. patent law that patent infringement is actionable only if it occurs within the territorial jurisdiction of the United States. As early as 1856, the Court explained that U.S. patent laws do not have extraterritorial effect: "these acts of Congress do not, and were not intended to, operate beyond the limits of the United States." *Brown v. Duchesne*, 60 U.S. (19 How.) 183, 195 (1856). Thus, when Congress enacted section 271(a) of the Patent Act in 1952, it expressly declined to give the provision extraterritorial effect and defined patent infringement as making, using, offering to sell, or selling any patented invention, without authority, "within the United States." *See* 35 U.S.C. § 271(a).

In *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518 (1972), the Court reiterated the territorial limitations of the U.S. patent laws. Addressing whether section 271(a) prohibited Deepsouth from exporting the components of a patented shrimp deveining machine for assembly and sale abroad, the Court concluded that Deepsouth did not "make" the machine "within the United States" because the component parts were not assembled here. *Id.* at 522.[4] After noting "that what is at stake here is the right of American companies to compete with an American patent holder in foreign markets," the Court observed that "[o]ur patent system makes no claim to

---

[4] Congress subsequently amended section 271 to define as an infringing act the export, without authority, from the United States of a substantial portion of the components of a patented invention if the intent is to combine the components outside the United States and such combination would constitute a patent infringement if it occurred within the United States. *See* 35 U.S.C. § 271(f).

extraterritorial effect." *Id.* at 531. The Court further explained: "To the degree that the inventor needs protection in markets other than those of this country, the wording of 35 U. S. C. §§ 154 and 271 reveals a congressional intent to have him seek it abroad through patents secured in countries where his goods are being used." *Id.*

The Court has not had occasion to revisit the territorial scope of section 271(a) since its 1972 decision in *Deepsouth*. This case presents an opportunity for the Court to address whether and to what extent section 271(a) applies to transnational technology systems with components both within and outside the United States, a technological circumstance that was not contemplated when Congress enacted section 271(a).

The Federal Circuit's decision below holds that systems, wherever or however located, are "used" in the location where the system "as a whole is put into service, *i.e.*, the place where control of the system is exercised and beneficial use of the system obtained." Pet. App. 55a. By separating use of a system from its location, this interpretation potentially subjects to U.S. patent liability a class of foreign and transnational systems that never otherwise would have been within the reach of U.S. patent laws.

In considering whether the BlackBerry system is used within the United States for purposes of section 271(a), the Federal Circuit acknowledged that the Canadian situs of the BlackBerry Relay presented "an added degree of complexity" to the interpretation of the statute and that "it is unclear from the statutory language how the territoriality requirement limits direct infringement where the location of at least a part of the 'patented invention' is not the same as the location of the infringing act." *Id.* at 49a, 52a.

Distinguishing *Deepsouth*, the Federal Circuit based its decision on reasoning found in a 1976 Court of Claims case: *Decca Ltd. v. United States*, 544 F.2d 1070 (Ct. Cl. 1976). In *Decca*, which considered a radio navigation system that used

two receivers in the United States and a third in Norway, the Court of Claims ruled that the navigation system was not "made" within the United States because one of the key elements of the system was located outside the United States, but that the system was "used" within the United States. The Court of Claims tied its holding to the "ownership of the equipment by the United States, the control of the equipment from the United States and . . . the actual beneficial use of the system within the United States." *Id.* at 1083. Relying on *Decca*, the Federal Circuit thus held that "use of a claimed system under section 271(a) is the place at which the system as a whole is put into service, *i.e.*, the place where control of the system is exercised and beneficial use of the system is obtained." Pet. App. 55a.

In construing the statutory term "use[] . . . within the United States," the Federal Circuit distinguished between patented methods or processes and patented systems. In contrast to systems, which it concluded can be used within the United States even if all the component parts are not within the United States, the Federal Circuit reasoned that "a process cannot be used 'within' the United States as required by section 271(a) unless each of the steps is performed within this country." *Id.* at 57a. The distinction between method/process claims and system claims can be fairly subtle, and the court's decision elevates the importance of distinguishing between the two types of claims, which may create ambiguity and uncertainty in the application of the section 271(a).

The Federal Circuit's holding regarding when patent infringement occurs within the United States represents a novel application of U.S. patent law and one with unpredictable and potentially unintended consequences for future cases. Since the enactment of section 271(a) in 1952, the Digital Age has revolutionized how people communicate and do business. Increasingly, we have come to expect and depend on mobile, instantaneous, wireless, access to voice, email, and data trans-

mission services. Given the nature of such systems, users can be far removed from the system's hardware components, and components communicating with one another wirelessly can be far removed from one another, in many cases spanning international borders. These technological advances, together with the much-discussed globalization of national economies, ensure that the application of U.S. patent laws and their foreign counterparts to transnational technology systems will be a recurring issue of vital importance to technology companies located worldwide and to the millions of users of such systems around the world. The BlackBerry system is not the only transnational technology system and certainly will not be the last.

Because all appeals relating to the interpretation of the U.S. patent laws lie in the Federal Circuit, there is and will be no split of authority between the circuit courts of appeals on this issue. This issue nonetheless merits the Court's review. Unless the Court grants the writ of certiorari, the decision below will prescribe the governing legal standard on the subject. Given the importance of the issue to the development of the global communications and technology market, it is important that the Supreme Court, not the Federal Circuit, should make the final determination respecting the application of section 271(a) to transnational systems.

* * *

Plenary review of the Federal Circuit decision is especially appropriate here, where domestic, foreign, and international law may be implicated. The international intellectual property law regime dates back to the Paris Convention, to which both the United States and Canada are parties.[5] The Paris Conven-

---

[5] Paris Convention for the Protection of Industrial Property, opened for signature March 20, 1883, as revised at Stockholm July 14, 1967, 21 U.S.T. 1583, 828 U.N.T.S. 305.

tion and the intellectual property law regime that developed from it are premised on territorial limitations. *See, e.g.*, Graeme B. Dinwoodie, *The Architecture of the International Intellectual Property System*, 77 Chicago-Kent L. R. 993, 996 (2002) ("Territoriality of rights is a fundamental premise of classical international intellectual property law.").

Moreover, the Court has cautioned that statutes should be construed, whenever possible, to avoid interference with the sovereign authority of other nations and in a manner that is consistent with customary rules of international law. *See F. Hoffman-La Roche Ltd. v. Empagram* S.A., 542 U.S. 155, 164 (2004); *Murray v. Schooner Charming Betsy*, 6 U.S. 64, 2 Cranch 64, 2 L. Ed. 208 (1804) ("[A]n act of Congress ought never to be construed to violate the law of nations if any other possible construction remains"); *Hartford Fire Ins. Co. v. California*, 509 U.S. 764, 817, 125 L. Ed. 2d 612, 113 S. Ct. 2891 (1993) (Scalia, J., dissenting) (identifying rule of construction as derived from the principle of "prescriptive comity"); *Restatement (Third) of Foreign Relations Law of the United States* §§ 403(1), 403(2) (1986) (limiting the unreasonable exercise of prescriptive jurisdiction with respect to a person or activity having connections with another State). As the Court recently explained in *Empagran*: "This rule of statutory construction cautions courts to assume that legislators take account of the legitimate sovereign interests of other nations when they write American laws. It thereby helps the potentially conflicting laws of different nations work together in harmony -- a harmony particularly needed in today's highly interdependent commercial world." 542 U.S. at 164-65.

The Federal Circuit was silent on the implications, if any, of the international intellectual property law regime or of comity on its interpretation of the scope of U.S. patent jurisdiction. Given the importance of the decision to the international community, a careful, explicit consideration of these issues from this nation's highest court would be of great value in providing

much needed clarity and predictability to the application of section 271(a) to patents relating to fast-developing transnational technologies.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

HOMER E. MOYER, JR.
Counsel of Record
MICHAEL T. BRADY
LAURA G. FERGUSON
MILLER & CHEVALIER
Chartered
655 15th Street, NW, Suite 900
Washington, D.C. 20005-5701
(202) 626-5800

January 2006

MOTION FILED
JAN 3 - 2006

(3)

No. 05-763

IN THE

Supreme Court of the United States

RESEARCH IN MOTION, LTD.,

PETITIONER,

V.

NTP, INC.,
RESPONDENT.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

MOTION OF THE CANADIAN CHAMBER OF COMMERCE AND THE INFORMATION TECHNOLOGY ASSOCIATION OF CANADA FOR LEAVE TO FILE BRIEF AS *AMICUS CURIAE* AND BRIEF OF *AMICUS CURIAE* IN SUPPORT OF PETITIONER

Date: January 3, 2006 [Counsel listed on inside cover]

WILSON-EPES PRINTING CO., INC. – (202) 789-0096 – WASHINGTON, D. C. 20001

CLIFTON S. ELGARTEN *
MICHAEL J. SONGER
BRIAN KOIDE
CROWELL & MORING
1001 PENNSYLVANIA AVE., NW
WASHINGTON, DC 20004
(202) 624-2500
* *Counsel of Record*

MOTION FOR LEAVE TO FILE BRIEF AS *AMICUS CURIAE*

Pursuant to Sup. Ct. R. 37.2(b), the Canadian Chamber of Commerce and the Information Technology Association of Canada (ITAC)(collectively, Amici) respectfully move for leave to file the accompanying *amicus curiae* brief in support of the petitioner for a writ of certiorari. The consent of the attorney for petitioner has been obtained. The consent of the attorney for respondent has not been obtained.

Amici submit that the issues presented in this case are of the utmost public interest and importance given the extraterritorial legal issues that arise from the Court of Appeals for the Federal Circuit's (CAFC) expansion of patent infringement under 35 U.S.C. § 271(a) to encompass activities occurring in foreign countries. Because of the important issues at stake, the Court should grant the petition.

The Canadian Chamber of Commerce is a not-for-profit organization that - together with its affiliated Chambers of Commerce and Boards of Trade - represent more than 170,000 members across Canada, including businesses of all sizes, from all technology sectors, and from all Canadian regions. Petitioner Research in Motion, Ltd. (RIM) is a member of the Canadian Chamber of Commerce, but is only one of many members directly engaged in the technology sector of the economy.

ITAC is the voice of the Canadian information and communications technology industry. Together with its affiliated organizations across the country, ITAC represents 1300 companies in the information and communications technology industry, including telecommunications and Internet services, information technology and communications consulting services, hardware, microelectronics, software, and electronic content. ITAC's network of companies accounts for more than 70% of the 550,000 jobs, $130 billion in revenue, $5.2 billion in R&D investment, $18.7 billion in exports, and $10.8 billion in capital expenditure

contributed annually to the Canadian economy. RIM is a member of ITAC, and while two of RIM's executives serve on various ITAC boards, these two individuals serve with numerous other participants and members.

Given that all members of the Canadian Chamber of Commerce and ITAC are engaged in business with the technology sector, the questions at issue here affect the business interests of all of the members. In addition, because Canadian businesses increasingly take a global approach to their commercial dealings, and because of the growth of international electronic commerce, the Canadian Chamber of Commerce and ITAC are interested, on behalf of its members, in ensuring comity and the balanced treatment in the laws affecting commerce between Canada and other countries, including the United States.

Accordingly, the Canadian Chamber of Commerce and ITAC respectfully requests that the Court grant its motion for leave to file the accompanying brief, and consider these arguments during its deliberations.

Respectfully submitted,

CLIFTON S. ELGARTEN *
MICHAEL J. SONGER
BRIAN KOIDE
CROWELL & MORING
1001 PENNSYLVANIA AVE., NW
WASHINGTON, DC 20004
(202) 624-2500
* *Counsel of Record*

Attorneys for *Amicus Curiae* the
Canadian Chamber of Commerce
and ITAC
January 3, 2006

TABLE OF CONTENTS

TABLE OF AUTHORITIES ii

INTEREST OF AMICUS CURIAE 1

REASONS FOR GRANTING THE PETITION 1

INTRODUCTION 2

I. THE EXTRATERRITORIAL EFFECTS OF INFRINGING ACTIVITIES SHOULD TAKE INTO ACCOUNT ESTABLISHED PROCEDURES, JUDICIAL PRECEDENT, AND INTERNATIONAL CONCERNS 3

A. Laws Are Not to be Applied Extraterritorially Without Congressional Intent 5

B. This Court Has Expressed A Preference To Defer To Congressional Action 9

C. The CAFC Should Have Considered International Treaties and Comity 11

II. THE EXTRATERRITORIAL APPLICATION OF ONLY A PORTION OF A PATENT'S CLAIMS CREATES CONFUSION REGARDING THE PATENT GRANT 13

CONCLUSION 16

TABLE OF AUTHORITIES

CASES

Argentine Republic v. Amerada Hess Shipping Corp., 488 U.S. 248 (1989) 7

Benz v. Compania Naviera Hidalgo, 353 U.S. 138 (1957) 8

Decca Ltd. v. United States, 544 F.2d 1070 (Ct. Cl. 1976) 2, 11

Deepsouth Packing Co. v. Laitram Corp., 406 U.S. 518 (1972) 9, 10, 11

EEOC v. Arabian Am. Oil Co., 499 U.S. 244 (1991) ..... passim

Eolas Techs. Inc. v. Microsoft Corp., 399 F.3d 1325 (Fed. Cir. 2005) 15

Ex parte Lyell, 17 U.S.P.Q. 2d 1548, 1990 Pat. App. LEXIS 14 (August 16, 1990 Bd. Pat. App. Int.) 15

F. Hoffman LaRoche Ltd. v. Empagran S.A., 542 U.S. 155 (2004) ..... passim

Foley Bros. v. Filardo, 336 U.S. 281 (1949) 5, 8

General Foods Corp. v. Studiengesellschaft Kohle mbH, 972 F.2d 1272 (Fed. Cir. 1992) 14

In re Vogel, 422 F.2d 438 (CCPA 1970) 14

McCulloch v. Sociedad Nacional de Marineros de Honduras, 372 U.S. 10 (1963) 4, 8

Minton v. Nat'l Ass'n of Sec. Dealers, Inc., 336 F.3d 1373 (Fed. Cir. 2003) 15

New York Central R.R. Co. v. Chisholm, 268 U.S. 29 (1925) 9

Paper Converting Mach Co. v. Magna-Graphics Corp., 745 F.2d 11 (Fed. Cir. 1984) 9

Person's Co., Ltd. v. Christman, 900 F.2d 1565 (Fed. Cir. 1990) 3

Pfizer Inc. v. Aceto Corp. et al., 853 F.Supp. 104 (S.D.N.Y. 1994) 10

Sandberg v. McDonald, 248 U.S. 185 (1918) 9

Schoenbaum v. Firstbrook, 405 F.2d 200 (2d Cir. 1968) 9

Small v. United States, ___ U.S. ___, 125 S.Ct. 1752 (2005) 5, 8

Smith v. United States, 507 U.S. 197 (1993) 5, 8

Steele v. Bulova Watch Co., Inc., 334 U.S. 280 (1952) 9

United States v. Aluminum Co. of America, 148 F.2d 416 (2d Cir. 1945) 9

Yahoo!, Inc. v. La Ligue Contre Le Racisme et L'Antisemitisme, 169 F.Supp. 2d 1181 (N.D. Cal. 2001) 12, 13

STATUTES

35 U.S.C. § 112, ¶ 2 ..... 14, 15

35 U.S.C. § 271(a) ..... passim

35 U.S.C. § 271(f) 10, 13

OTHER AUTHORITIES

Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs)..... 11, 12

North American Free Trade Agreement..... 11, 12

Paris Convention for the Protection of Industrial Property 11, 12

S. Rep. No. 83, 100th Cong., 1st Sess. 48 (1987)..... 10

BRIEF OF THE CANADIAN CHAMBER OF COMMERCE AND INFORMATION TECHNOLOGY ASSOCIATION OF CANADA AS *AMICUS CURIAE* IN SUPPORT OF PETITIONER

INTEREST OF AMICUS CURIAE

The interests of the *amicus curiae* are described in the accompanying motion for leave to file this brief.[1]

REASONS FOR GRANTING THE PETITION

The immediate interests of the Petitioners are well expressed in their petition and will not be elaborated upon further here. However, we bring to the Court's attention several immediate concerns that we believe should be addressed in more detail. Specifically, the CAFC has resolved an admitted complex issue of the extraterritorial application of the United States patent laws where portions of a patented system or process occur outside the United States without regard for congressional intent, prior direction from this Court, and international concerns. In addition, the extraterritorial analysis, based as it is on the type of claims in the asserted patent, creates differing results for similar technology merely because of words selected for the invention.

This Court has provided clear direction on how to resolve issues involving the extraterritorial application of United States laws which has been disregarded in this case. Moreover, the

---

[1] Pursuant to Supreme Court Rule 37.6, Amici state than no counsel for a party authored this brief in whole or in part, and that no person or entity, other than Amici and their counsel, contributed monetarily to the preparation and submission of this brief.

resulting extraterritorial scheme provided by the CAFC – with certain claims in a patent allowed extraterritorial reach, and other claims within the same patent denied extraterritorial reach based on a nebulous control issue – both threatens the integrity of the patent system and the ability for the public to determine the scope of the patent grant. For foreign entities (such as Amici), the resultant uncertainty will stifle technological development, as even negligible activities that happen to touch on the United States may come under scrutiny from the United States patent system. For these reasons the Court should grant the petition to clarify the extraterritorial reach of the United States patent laws.

INTRODUCTION

The CAFC appropriately notes that the situs for infringement under 35 U.S.C. § 271(a) is activity occurring "within the United States." The decision below, however, presents differing standards for determining section 271(a)'s extraterritorial reach based on differing notions of physical location. For system claims, infringement liability does not depend on the actual physical location of each patented component, but instead on where the system as a whole is "put into service" – "the place where control of the system is exercised and beneficial use of the system is obtained." Pet. App. at 55a (*citing Decca Ltd. v. United States*, 544 F.2d 1070, 1083 (Ct. Cl. 1976)). For method claims, however, infringement liability occurs not by looking at where the method as a whole is performed, but instead by analyzing the location where each component step occurs. *Id.* at 55a-57a.

As stated, this bifurcated infringement determination raises two issues that require scrutiny by this Court. By ignoring physical location for infringement of system claims, the CAFC has expanded the reach of infringement under 35 U.S.C. § 271(a) to encompass foreign activities, seemingly without any consideration of this Court's long-standing precedent on the extraterritorial reach of U.S. laws. Also, by parsing out extraterritorial infringement

depending on the *type* of claims in a patent (allowing an extraterritorial reach for system claims but not for method claims), the CAFC has introduced uncertainty wherein infringement for an "invention" may or may not exist solely based on the form of a claim, even though those claims contain the same technical limitations.

I. THE EXTRATERRITORIAL EFFECTS OF INFRINGING ACTIVITIES SHOULD TAKE INTO ACCOUNT ESTABLISHED PROCEDURES, JUDICIAL PRECEDENT, AND INTERNATIONAL CONCERNS

In *Person's Co., Ltd. v. Christman*, 900 F.2d 1565 (Fed. Cir. 1990), the CAFC recognized the difficulty of applying complex factual situations to determine the extraterritorial reach of the law:

> When the law has been crafted with the clarity of crystal, it also has the qualities of a glass slipper: it cannot be shoe-horned onto facts it does not fit, no matter how appealing they might appear.

Id. at 1570 (denying the extraterritorial reach of "commercial use" under the Lanham Act). A similar situation is presented in this case: the patent laws of the United States expressly require that infringing activities occur "within the United States." 35 U.S.C. § 271(a) But the facts of this case do not necessarily fit this geographical partition, because activities required for infringement physically occur both in the United States and in foreign countries. As noted by the CAFC:

> This case presents an added degree of complexity, however, in that: (1) the patented invention is not one single device, but rather a system comprising multiple distinct components or a method with multiple distinct steps; and (2) the nature of those

> components or steps permits their function and use to be separated from their physical location.

Pet. App. at 49a. Both Petitioners and Respondents have analyzed the statutory construction of the phrase "within the United States," and the CAFC's analysis of "use" infringement in different contexts depending on the type of claim presented by the patentee. Amici argue, however, that a more central issue is raised by the CAFC's decision: by "shoe-horning" a complex fact pattern into the limited reach of the patent laws, the CAFC may have shattered the glass slipper. The decision below extends or denies extraterritorial reach based on the skills of a patent drafter and on complex judicial determinations of "control" and "beneficial use." And, of interest to Amici, it has done so without consideration or review of congressional intent, this Court's prior ruling (and cautionary admonition) on the extraterritorial reach of the patent laws, and without taking into account the sovereign aspects of extraterritorial actors.

This Court is thus presented with the issue of whether section 271(a) should be enforced extraterritorially in today's technological environment, where actual physical acts often cross geographic borders, despite clear language to the contrary. This issue thus squarely implicates the need to "protect against unintended clashes between our laws and those of other nations which could result in international discord." *EEOC v. Arabian Am. Oil Co.*, 499 U.S. 244, 248 (1991)("*Aramco*")(citing *McCulloch v. Sociedad Nacional de Marineros de Honduras*, 372 U.S. 10, 20-22 (1963)). The CAFC's decision in a case with "an added degree of complexity" – finding the extraterritorial reach of infringing "uses" dependent on the *specific type of patent claim* – reaches conclusions both for and against extraterritoriality without any consideration whatsoever for congressional intent, foreign laws, and the "clash" between the United States patent system and those of other countries.

A. Laws Are Not to be Applied Extraterritorially Without Congressional Intent

This Court has long noted a reluctance to expand the reach of legislation outside the territorial jurisdiction of the United States without specific congressional intent to the contrary. *Aramco*, 499 U.S. at 248 (*citing Foley Bros. v. Filardo*, 336 U.S. 281, 285 (1949). Indeed, it is a "commonsense notion that Congress generally legislates with domestic concerns in mind." *Smith v. United States*, 507 U.S. 197 at n. 5 (1993); *Small v. United States*, ___ U.S. ___, 125 S.Ct. 1752, 1755 (2005).

On its face, 35 U.S.C. § 271(a) clearly describes that infringement occurs when anyone without authority "makes, uses, offers to sell, or sells any patented invention, within the United States...." The CAFC acknowledges that section 271(a) has a territorial reach "limited" to activities within the United States. Pet. App. at 49a. There is nothing in the statute that indicates that Congress intended infringement to encompass activities occurring outside the United States.

When analyzing method or process claims, the decision below is in accord with the long-held rule declining to apply the law extraterritorially. In these situations, control and beneficial use have no meaning, and the physical location of each of the steps required to complete the method exists as the paramount determination as to whether section 271(a) applies. The physical location requirement is strict -- when a complicated method comprising a series of steps is claimed, and only one insignificant step occurs outside the United States, infringement cannot occur because of the lack of extraterritorial application of the patent laws. Respondent has not appealed the determination that its method claims are not infringed for extraterritoriality reasons, thereby acknowledging that the patent laws have no extraterritorial reach.

Yet, the CAFC turned the extraterritoriality issue on its head for systems made up of components located outside the United

States. In these circumstances the physical location requirement becomes a moving target, as patent infringement and the application of section 271(a) is determined without regard to where the actual system components exist. Instead, if the system "as a whole" is controlled and has beneficial use in the United States, the patent laws apply to the activity.

If read in light of the clear mandate against extraterritoriality set forth in section 271(a) (as supported by Respondent for method claims), this result requires potential foreign infringers to analyze "how much" activity a United States court would require to find "use" in the United States and meet the statute's demands. For entities with foreign activities, such as those members of the Amici organizations, the CAFC's decision creates more uncertainty than clarity. These entities must not only determine the *type* of patent claims they potentially may face, but also must determine if "control" and "beneficial use" of their systems can be deemed to occur within United States, despite the physical presence of some *or all* of the components of the system *outside* the United States.

These control and beneficial use tests are not readily applied to the Internet and other telecommunications technology, where internationally distributed networks combine to provide a single service or product. For example, if a user in the United States accesses a foreign website (hosted in a foreign country) and plays a game on that site or enters data into that site, has a computer system encompassing that website been "used" in the United States solely by manipulating a mouse and keyboard – a use that could act as infringing activity? If only a router server exists in the United States, and information passes through that router from one foreign country to another foreign country, does the passage of information without human interactivity create a "use" in the United States so as to potentially infringe a network system patent? And, how is mobile technology that spans geographical boundaries controlled as a practical matter. For wireless devices, for example, how are systems that send signals capable of reception across geographical boundaries controlled? Is the entire

system terminated, even though legal in one country, because it is "used" in another country in an infringing manner even though it has merely received signals from a legal transmitter?

These risks are compounded given the increasing amount of issued patents (including business method patents), the rise of patent "holding" companies who do not practice their inventions but rather engage in patent litigation, and the high cost of patent protection and litigation. For Amici's members, these factors create a high degree of uncertainty and instability as to the metes and bounds of permissible and impermissible technology. These problems dictate adherence to congressional control over what extraterritorial activity can be reached by the patent laws.

But with the decision below foreign entities cannot rely on these well-established principles denying extraterritorial application of the patent laws without congressional input. The CAFC's analysis and its differentiation of extraterritoriality infringement depending on whether system or method claims are "used" is presented without any discussion of the unreasonable interference caused with the sovereign authority of foreign countries. *See F. Hoffman LaRoche Ltd. v. Empagran S.A.*, 542 U.S. 155, 164 (2004). Indeed, application of the patent laws in this manner clearly leads *to* a clash between the United States legal system and activities occurring on foreign soil.

Certainly, Congress could have directed patent infringement to encompass extraterritorial activities. "[W]hen it desires to do so, Congress knows how to place the high seas within the jurisdictional reach of a statute." *Aramco*, 499 U.S. at 258 (*quoting Argentine Republic v. Amerada Hess Shipping Corp.*, 488 U.S. 248, 440 (1989)). Congress has exercised this right in numerous statutes, such as the Export Administration Act of 1979 ("United States person" specifically defined to encompass foreign activities), the Coast Guard Act (allowing activity occurring on the high seas), the Criminal Code (extending reach to the high seas), customs laws (allowing enforcement on the high seas), the Comprehensive Anti-Apartheid Act of 1986 (United States

national defined to include any United States citizen without regard for location), the Logan Act (act applied to any citizen without regard for location), and the Age Discrimination in Employment Act ("employee" includes United States citizens employed in a foreign country). *See Aramco*, 499 U.S. at 258-59.

But Congress did *not* provide a clear mandate for the extraterritoriality of section 271(a), and in fact provided the opposite conclusion *against* extraterritoriality. The CAFC, by deeming extraterritorial acts either to occur or have some determinative effect in the United States, has thus expanded the extraterritorial reach of infringement for certain activities (system claims) and restricted the extraterritorial reach for other activities (method claims), all without any analysis of the desirability of this scheme in the patent laws and foreign relations.

As dictated by this Court in *Aramco, Smith,* and *Small*, some consideration into statements and evidence of congressional intent must occur before United States laws are expanded to reach foreign activity, even if that activity is couched as "use." But even with considerations into congressional intent, the presumption remains against the extraterritorial application of a statute. Indeed, to the extent considerations of congressional intent creates doubt as the extraterritorial reach of the law, this Court has held that these doubts must be resolved restrictively against such an application. *Smith*, 507 U.S. at 203-04.

Thus, attempts to discern congressional intent absent any clear language most always result in a denial of the extraterritorial reach of a law (given the preference against extraterritoriality). For example, portions of the Sherman Act, the Federal Torts Claim Act, Title VII, the National Labor Relations Act, the Labor Management Relations Act, the Eight Hour Law, the Federal Employers Liability Act, and the Seaman's Act have all been found *not* to apply to extraterritorial acts. *See, e.g., F. Hoffman-La Roche, supra* (portions of Sherman Act); *Smith*, *supra* (FTCA); *Aramco*, *supra* (Title VII); *McCulloch*, *supra* (National Labor Relations Act); *Benz v. Compania Naviera Hidalgo*, 353 U.S. 138

(1957)(Labor Management Relations Act); *Foley Bros.*, *supra* (Eight Hour Law); *New York Central R.R. Co. v. Chisholm*, 268 U.S. 29 (1925)(Federal Employers Liability Act); *Sandberg v. McDonald*, 248 U.S. 185 (1918)(Seaman's Act).[2]

In this case we have an admitted complex case of the extraterritorial reach of patent laws for "partial" infringing activity. Yet no deference is given to congressional intent, statutory language, or statements and policy regarding extraterritoriality.

B. This Court Has Expressed A Preference To Defer To Congressional Action

The CAFC also reached its decision without regard for the deference given to legislative intent in determining the extraterritorial application of 35 U.S.C. § 271(a) shown in *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518 (1972). In *Deepsouth*, infringement under section 271(a) was avoided because unassembled components to be combined to create an infringing device were exported from the United States to a foreign country. Finding that the patent laws do not have extraterritorial reach, all that could be prevented under the patent laws was the assembly of the infringing device in the United

---

[2] Certain statutes, particularly the Lanham Act, various securities laws, and portions of the Sherman Act have been found to apply extraterritorially after consideration of congressional intent. *See, e.g., Steele v. Bulova Watch Co., Inc.*, 334 U.S. 280 (1952)(Lanham Act); *Schoenbaum v. Firstbrook*, 405 F.2d 200 (2d Cir. 1968)(securities laws); *United States v. Aluminum Co. of America*, 148 F.2d 416 (2d Cir. 1945)(portions of Sherman Act). In these cases the congressional intent turned on protecting economic considerations, a factor not present in the patent laws. *See Paper Converting Mach Co. v. Magna-Graphics Corp.*, 745 F.2d 11, 16 (Fed. Cir. 1984)("By the terms of the patent grant, no activity other than the unauthorized making, using, or selling of the claimed invention can constitute direct infringement of a patent, no matter how great the adverse impact of that activity on the economic value of a patent.").

States. The assembly of the device outside the United States was beyond the reach of 35 U.S.C. § 271(a). *Deepsouth*, 406 U.S. at 527-29.

In accord with the philosophy set forth in the cases that led to *Aramco*, the Court stated that legislative activity would be required before the patent laws could be expanded extraterritorially:

> It follows that we should not expand patent rights by overruling or modifying our prior cases construing the patent statutes, unless the argument for expansion of privilege is based on more than mere inference from ambiguous statutory language. We would require a clear and certain signal from Congress before approving the position of a litigant who...argues that the beachhead of privilege is wider, and the area of public use more narrower, than courts had previously thought. No such signal legitimizes respondent's position....[W]e would still insist on a clear congressional indication of intent to extend the patent privilege before we could recognize the monopoly here claimed. Such an indication is lacking.

Deepsouth, 406 U.S. at 531-32. Congressional authority was provided in 1984, when section 271 was amended to specifically overrule *Deepsouth* and reach this type of extraterritorial activity. *See* 35 U.S.C. § 271(f).[3]

---

[3] In addition, Congress amended section 271 to add subsection (g), allowing an action for infringement of a United States process patent where the process was accomplished outside the United States with the resultant product imported into the United States. However, Congress specifically did not intend section 271(g) to prevent the use of a U.S. patented process in another country – it "will not give extraterritorial effect to U.S. law...." *Pfizer Inc. v. Aceto Corp. et al.*, 853 F.Supp. 104, 105 (S.D.N.Y. 1994)(quoting S. Rep. No. 83, 100th

(continued....)

For Amici, the key issue raised by *Deepsouth* is this Court's reluctance to expand the patent grant extraterritorially without congressional direction. Proper deference to the rationale behind denying the expansion of the patent laws presented by *Deepsouth*, and the corrective activities by Congress should be addressed in this case.

C. The CAFC Should Have Considered International Treaties and Comity

The effect of the extraterritorial scheme established by the CAFC for certain claims is at odds with the reluctance of courts to interfere unreasonably into the sovereign authority of foreign countries by applying United States laws extraterritorially. *F. Hoffman LaRoche Ltd. v. Empagran S.A.*, 542 U.S. 155, 164 (2004). One of the main purposes of the presumption against the extraterritorial application of laws absent congressional direction is to prevent discord between the laws of different nations. *Aramco*, *supra* at 248. The CAFC's decision, and its reliance on *Decca*, neither analyzes nor addresses the various patent treaties that relate to the patent laws, as well as comity principles governing the application of laws between different nations.

The considerations attendant to the extraterritorial reach of the patent laws should accommodate, for example, the various patent treaties and conventions to which the United States is a party, including the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs), the Paris Convention for the Protection of Industrial Property (Paris Convention), and the North American Free Trade Agreement (NAFTA). Each of these agreements is

---

(continued) . . .

Cong., 1st Sess. 48 (1987)). Neither the congressional intent against extraterritoriality or the interplay between section 271(g) infringement and section 271(a) infringement was addressed by the CAFC.

based on both the national treatment and minimum standards of intellectual property protection. Clearly, a broad application of the patent laws to regulate activity occurring in foreign countries implicates the central tenets of these agreements. *See* TRIPs, Arts. 1, 3; Paris Convention, Art. 2; NAFTA, Art. 1701, 1703. For example, Article 27, paragraph 2 of the TRIPs Agreement grants member countries the right to exclude "within their territory" certain types of inventions from patentability. This right to exclude could clash with the extraterritorial reach to United States laws granted by the CAFC. As such, this Court's analysis is required to fully consider these agreements and their underlying philosophies as applied to a novel extraterritorial situation involving physical acts in multiple countries.

The extraterritorial reach of foreign laws to activities in the United States is becoming an issue with the global reach of Internet activities. Technology such as the Internet allows a single activity to impact immediately multiple jurisdictions. However, United States courts are resolving these issues by applying comity principles to clashing legal systems. For example, in *Yahoo!, Inc. v. La Ligue Contre Le Racisme et L'Antisemitisme*, 169 F.Supp. 2d 1181 (N.D. Cal. 2001), *rev'd on other grounds*, 379 F.3d 1120 (9th Cir. 2004), the court addressed the issue of speech that could occur, due to the Internet, in two different physical locations at the same time. A French court held Yahoo! liable for providing Nazi-related memorabilia on its Internet auction systems in violation of a French law against sales of this type of merchandise. The law was applied to the activities of French users of the Yahoo! system, with the French court ordering Yahoo! to block the offending auction sales to those French users or face contempt charges and fines. Yahoo! resisted the ruling, arguing that it was impossible to effectively filter out French individuals from accessing Yahoo!'s system. Concerned about the extraterritorial application of the French law to its activities outside of France (including its Internet activities that happen to have been accessed by French users), Yahoo also filed a declaratory judgment action in the United States asking that the French order not be enforced. *Yahoo!*, 169 F.Supp. at 1184-86. At issue was the situation where one instance

of "speech" could be heard across multiple national boundaries (with their corresponding differing legal systems). The speech "heard" in France clearly violated French law; however, that same speech, when heard in the United States, was protected under the First Amendment. *Yahoo!*, *Id.* at 1192-93. Applying the tenets of comity, the United States court ruled that the French court's judgment could not be enforced in the United States. *Id.*

All of these circumstances – treaties, conventions, the application of United States laws abroad, and the application of foreign laws in the United States – require an analysis of the extraterritorial reach of sovereign nations. And in all of these circumstances the preference is for the national treatment of laws. These are the types of issues involved in the aforementioned clash of differing legal systems, and in favoring legislative activity to minimize international discord.

II. THE EXTRATERRITORIAL APPLICATION OF ONLY A PORTION OF A PATENT'S CLAIMS CREATES CONFUSION REGARDING THE PATENT GRANT

This Court should also grant the petition to address the desirability of a patent system where the extraterritorial reach is determined based on the statutory class of claim selected by the patent drafter. As a result of the CAFC's decision, whether or not a patent has an extraterritorial effect must be evaluated on a claim by claim basis, inasmuch as system claims can be infringed by components located outside the United States, but method claims cannot be infringed by the very same components performing actions outside the United States. Yet in many instances, such as the claims at issue here, the system and method claims contained nearly identical language and vary only with respect to the extent necessary to *phrase* the claims as system or method claims.

While Congress clearly intended for certain discrete sections of the patent laws to have an extraterritorial impact, *see, e.g.*, 35

U.S.C. § 271(f), it is less clear that Congress intended for different statutory classes to have different extraterritorial rights merely based on the wordsmanship of differing claims. The expansion of the extraterritorial analysis to this detailed level should be addressed by this Court as a policy matter, as well as for practical purposes.

The claims define or delimit the scope of legal protection for the patent grant. "A claim is a group of words defining only the boundary of the patent monopoly." *General Foods Corp. v. Studiengesellschaft Kohle mbH*, 972 F.2d 1272, 1274 (Fed. Cir. 1992)(*quoting In re Vogel*, 422 F.2d 438 (CCPA 1970)). However, these words are used to determine what the invention actually *is*. *Id.* Thus, the patent laws require that claims "particularly point[] out and distinctly claim[] the subject matter which the applicant regards as his invention. 35 U.S.C. § 112, ¶ 2.

It is permissible to claim this *one* invention as *several* different statutory classes within the same patent, such as by a system claim and a method claim (as was done in the asserted patents). However, no matter what semantic strategy is used in the claims, and no matter how many different claims are presented in a patent, it is only the single subject matter which the applicant regards as his invention that receives the patent grant.

The CAFC's decision authorizes a situation whereby certain claims in a patent may reach extraterritorial activities (the system claims), while other claims in that same patent do not (the method claims). Pet. App. at 56a. This application presents many conundrums, primarily why an "invention" can (or cannot) reach extraterritorial activities based solely on the words used to define that invention.[4] More importantly, it allows the extraterritorial

---

[4] The CAFC's decision also presents no workable solution for "product-by-process" claims in which a product is defined, in part, in terms of the process by which it is made. It remains unclear, for those activities that occur partly in the

(continued....)

reach of a patent to be determined by a claim drafter, not Congress.

Some analysis into the impact of this claim-by-claim scheme should be considered beyond the CAFC's reliance on *Minton v. Nat'l Ass'n of Sec. Dealers, Inc.*, 336 F.3d 1373 (Fed. Cir. 2003). *See* Pet. App. at 54a-55a. *Minton* merely addresses whether activities under section 102(b) should be treated differently for a tangible item as opposed to a process. Moreover, the CAFC's application of *Minton* is at odds with its recent decision in *Eolas Techs. Inc. v. Microsoft Corp.*, 399 F.3d 1325, 1339 (Fed. Cir. 2005)("This court accords the same treatment to all forms of invention....[and] cannot construct a principled reason for treating process inventions different than structural products")(citing TRIPs, Part II, Section 5). This is particularly true for computer technologies such as that at issue in this case. *Id.* at 1339 ("[P]rocess and product – software and hardware – are practically interchangeable in the field of computer technology.").

The main purpose of 35 U.S.C. § 112, ¶ 2 is to give notice as to the boundaries of applicant's invention:

> Its purpose is to provide those who would endeavor, in future enterprise, to approach the area circumscribed by the claims of a patent, with the adequate notice demanded by due process of law, so that they may more readily and accurately determine the boundaries of protection involved and evaluate the possibility of infringement and dominance.

(continued) . . .

United States and partly abroad, whether the CAFC's decision would reach extraterritorial activity for these types of claims.

Ex parte Lyell, 17 U.S.P.Q. 2d 1548, 1990 Pat. App. LEXIS 14 at *5-*6 (August 16, 1990 Bd. Pat. App. Int.). The CAFC's solution runs afoul with this purpose – no clear notice is provided as to which test would apply to any given claim, the boundaries of protection (both by technology and geography) would be inconsistent, and a foreign business trying to evaluate whether its technology would infringe United States patents would face more uncertainty than certainty. This Court should clarify the extraterritorial reach of individual claims when viewed against the backdrop of promoting a patent monopoly in return for allowing the world to know clearly what is contained within the grant.

CONCLUSION

For the foregoing reasons and those presented by the Petitioner, the Petition for a Writ of Certiorari should be granted.

Respectfully submitted,

CLIFTON S. ELGARTEN *
MICHAEL J. SONGER
BRIAN KOIDE
CROWELL & MORING
1001 PENNSYLVANIA AVE., NW
WASHINGTON, DC 20004
(202) 624-2500
* *Counsel of Record*

JAN 4 - 2006

(4)

No. 05-763

IN THE

Supreme Court of the United States

OCTOBER TERM, 2005

RESEARCH IN MOTION, LTD.,

Petitioner,

v.

NTP, INC.,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

INTEL CORPORATION'S MOTION FOR LEAVE TO FILE AND BRIEF AS *AMICUS CURIAE* IN SUPPORT OF THE PETITION FOR CERTIORARI

Joel W. Nomkin, *Counsel of Record*
Jonathan M. James
Dan L. Bagatell

PERKINS COIE BROWN & BAIN P.A.
2901 N. Central Avenue, Suite 2000
Phoenix, Arizona 85012-2788

T (602) 351-8000
F (602) 648-7000
E jnomkin@perkinscoie.com

Counsel for Intel Corporation

January 4, 2006

QUESTIONS PRESENTED

1. Whether a defendant can "use" a system "within the United States" and thereby infringe a patent under 35 U.S.C. § 271(a) even though a component that is essential to both the patent claims and the operation of the accused system is not located within the United States.

2. Whether the Federal Circuit's holding that a patented *system* can be "used" in this country even though a key component of the system lies outside the country can be squared with its holding that a patented *method* can be "used" in this country only if each and every step of the method is performed within the country.

TABLE OF CONTENTS

Questions Presented i

Table of Authorities iii

Motion for Leave to File and Statement of Interest 1

Brief of Intel Corporation as *Amicus Curiae* 2

Summary of Argument 2

Argument 4

A. The Scope of U.S. Patent Liability for Activities Crossing National Borders Is an Issue of Great and Growing Importance 4

B. The Federal Circuit's Distinction Between "System" and "Method" Claims Makes No Sense, and Its Overall Jurisprudence of Transnational Patent Liability Cries Out for Clarification and Coherence 5

C. It Is Up to Congress to Extend the Extraterritorial Reach of United States Patent Law—and When Congress Has Done So, It Has Done So Narrowly and with Carefully Crafted Limitations 7

D. There Is No Need for the Courts to Expand § 271(a) to Cover Systems Spanning Multiple Countries 10

Conclusion 11

TABLE OF AUTHORITIES

Cases — Pages

AT & T Corp. v. Microsoft Corp.,
414 F.3d 1366 (Fed. Cir. 2005) 6

Brown v. Duchesne,
60 U.S. 183 (1857) 7

Chef Am., Inc. v. Lamb-West Inc.,
358 F.3d 1371 (Fed. Cir. 2004) 10

Deepsouth Packing Co. v. Laitram Corp.,
406 U.S. 518 (1972) 7, 8

Dowagiac Mfg. Co. v. Minn. Moline Plow Co.,
235 U.S. 641 (1915) 7

EEOC v. Arabian Am. Oil Co.,
499 U.S. 244 (1991) 7

Eolas Technologies Inc. v. Microsoft Corp.,
399 F.3d 1325 (Fed. Cir.),
cert. denied, 126 S. Ct. 568 (2005) 6

Morris, In re,
127 F.3d 1048 (Fed. Cir. 1997) 11

NTP, Inc. v. Research In Motion, Ltd.,
418 F.3d 1282 (Fed. Cir. 2005) ..... *passim*

Pellegrini v. Analog Devices, Inc.,
375 F.3d 1113 (Fed. Cir. 2004) 6

Statutes and Rules

35 U.S.C. § 112 11

35 U.S.C. § 271 ..... *passim*

S. Ct. R. 37.2(b) 1

Other Authorities

Robert C. Faber, *Landis on Mechanics of Claim Drafting* § 59 (4th ed. 1996) 10

MOTION FOR LEAVE TO FILE AND STATEMENT OF INTEREST

Intel Corporation moves under Rule 37.2(b) of this Court for leave to file the following *amicus* brief in support of the petition for certiorari. Intel files this motion because respondent NTP has refused to consent to the filing unless Intel agrees to several conditions that are unwarranted by the Rules of this Court.[1]

Intel has a strong interest in the legal standards governing liability under the U.S. patent laws for acts that span national boundaries. Intel develops and produces chips, boards, systems and software building blocks that are integral to computers and communications products. It is the largest semiconductor manufacturer in the world, and its research, development, sales and marketing activities routinely transcend national borders.

Intel's interest in the questions presented is balanced. On the one hand, Intel invests billions of dollars every year in research and development and is regularly ranked among the nation's top patentees. Intel relies on patent protection to protect its intellectual property rights around the world. On the other hand, Intel has been an attractive target for infringement claims, particularly by nonpracticing patentees such as NTP. Intel is concerned that such patentees will attempt to assert their U.S. patents to restrict Intel's international activities. Intel is also disturbed that other nations are likely to react to the decision below by extending their own patent laws to cover the multinational activities of American companies.

Although Intel's interest in this case stems primarily from its concern over the governing legal principles, Intel

---

[1] No party or counsel to a party has authored the brief in whole or in part, and no person or entity other than Intel Corporation has made any financial contribution to its preparation or submission.

also has a commercial relationship with petitioner RIM. Intel was an early investor in RIM, and RIM remains a valued customer of Intel even though Intel sold off its investment interest in RIM years ago. Intel hopes that relationship will continue—indeed, Intel and RIM recently have agreed to an extensive technology collaboration in which RIM will use Intel communications technology in future BlackBerry® devices. A judgment against RIM could affect RIM's purchases from Intel and its ability to work with Intel.

Intel believes that the Court will benefit from Intel's views on the propriety of certiorari. As a leading international technology company, Intel well understands the importance of the issues at stake. Intel is similarly well positioned to explain the problems with the Federal Circuit's distinction between "use" of "method" patents and "use" of "system" patents and the overall incoherence of the Federal Circuit's recent jurisprudence on transnational infringement.

Intel therefore urges the Court to accept this brief.

BRIEF OF INTEL CORPORATION AS *AMICUS CURIAE*

SUMMARY OF ARGUMENT

1. The scope of liability under American patent laws for activities crossing national borders is an issue of great and growing importance. The Federal Circuit's decision is highly significant in this era of international computer and telecommunications systems and international business practices.

2. The Federal Circuit's fine distinction between a *method* whose steps are performed in different countries, and a *system* whose components operate in different countries makes no sense. More generally, the Federal Circuit's entire jurisprudence of transnational patent liability cries out for clarification and greater coherence.

3. The overarching principle for determining the scope of transnational patent infringement liability is one that this Court has often reiterated but the Federal Circuit has ignored: U.S. patent laws are presumed not to have extraterritorial scope. More precisely, unless Congress clearly indicates otherwise, infringement of U.S. patent laws can occur only when all limitations of the claims are met by a product located in this country or by a process carried out in this country. The political branches are far better equipped than the courts to fix any perceived loopholes in 35 U.S.C. § 271(a) and to weigh the difficult policy issues and comity concerns inherent in extending liability to acts taken or items located abroad. Not surprisingly, they have treaded cautiously to date, expanding liability to activities outside U.S. borders rarely and narrowly. The logic of the present decision, however, is sweeping and may encourage other nations to retaliate by imposing their patent laws on multinational activities by U.S. companies.

4. NTP's warning about international "dead zones" or "no man's lands" is spurious. Patentees can and already do avoid infringement loopholes by carefully drafting their claims. Patent lawyers routinely draft claims to cover numerous permutations of steps or subcombinations of components because no single person or company may practice the entire method or system. The same approach can readily handle situations where part of a method or system is practiced domestically and part abroad. In any event, if transnational noninfringement were to prove a significant problem, the political branches undoubtedly would have the power to fix it by statute or treaty. The courts should not unilaterally and artificially stretch the concept of domestic "use" as the Federal Circuit has done.

ARGUMENT

The Scope of U.S. Patent Liability for Activities Crossing National Borders Is an Issue of Great and Growing Importance

The extent to which American patent laws govern international activities is extremely important to the modern American economy and therefore to the American legal system.

Globalization of the American economy is growing and here to stay. Taking advantage of production efficiencies, reduced tariffs and faster and cheaper shipping, companies are importing more and more products into this country and exporting more and more products abroad. Moreover, globalization is not limited to simple import and export of finished goods. The Internet and other telecommunication networks have made international communications much easier and less expensive. As a result, services are increasingly being provided across international borders as well.

What is more, many companies are now developing and producing their products and services using teams and computer systems located in multiple countries. Especially in high-technology industries, it is now routine for part of a product to be developed in one country and part in another, for part of a product to be manufactured in one country and part in another, and for some assembly and packaging to be done in one country and some in another. In addition, products and systems are often customized according to the standards and cultures of different nations or (as in this case) deployed across national boundaries.

In short, international business is now the norm. This case happens to involve an international telecommunications network, but it is far from unique in raising issues of the extraterritorial scope of 35 U.S.C. § 271. Indeed, NTP implicitly recognizes this fact by arguing that

improperly construing the scope of transnational liability would have "dramatic and pernicious effects." Opp. 22. Of course, NTP and RIM disagree over which construction of the statute is correct, but everyone should agree that the extent to which U.S. patent laws cover international activities is an extremely important issue that merits review by this Court.

B. The Federal Circuit's Distinction Between "System" and "Method" Claims Makes No Sense, and Its Overall Jurisprudence of Transnational Patent Liability Cries Out for Clarification and Coherence

Certiorari also is warranted because the Federal Circuit's holdings in this case cannot be reconciled and, more generally, that court's jurisprudence on transnational patent issues is hopelessly splintered.

The Federal Circuit's opinion holds that every step of a claim reciting a "method" must be practiced in the United States for the method to be "used" in the United States in violation of § 271(a). *NTP, Inc. v. Research In Motion, Ltd.*, 418 F.3d 1282, 1317-18 (Fed. Cir. 2005). On the other hand, the court held that a claim directed to a "system" *can* be infringed under § 271(a) although one or more significant components of the system are *not* located within the United States. *Id.* at 1316-17.

There is no principled or policy basis for the outcome to depend on the form of the claim. It makes no sense to hold that every step must occur domestically to infringe a claimed *process*, yet hold that every component need *not* operate domestically to infringe a claimed *system*. Contrary to the Federal Circuit's suggestion, the steps of "method" claims are used just as "collectively" as the components of "system" claims, and each component of a claimed system is just as vital as each step of a claimed method. The distinction between "method" and "system" claims is especially tenuous where, as here, the "system" claims are written to parallel the "method" claims by

requiring the system components to perform specific acts that are equivalent to the steps of a method. *See, e.g., id.* at 1294-95 (reciting "system" claim 1 and "method" claim 18 of the '960 patent). Thus, either RIM infringes both sets of claims or it infringes neither set. Even NTP rejects the Federal Circuit's split holding. Opp. 18 n.9.

Similar problems and inconsistencies have appeared in the Federal Circuit's analysis of related transnational infringement issues. For example, in this case the Federal Circuit held that RIM did *not* infringe NTP's method claims under § 271(f). In so holding, the panel distinguished *Eolas Technologies Inc. v. Microsoft Corp.*, 399 F.3d 1325, 1338-41 (2005), *cert. denied*, 126 S. Ct. 568 (2005), which held that software code written in the United States and sent abroad on "golden master disks" for use abroad *did* infringe an American patent because the code qualified as a "component" of a patented invention under § 271(f). *Eolas* was recently extended in *AT & T Corp. v. Microsoft Corp.*, 414 F.3d 1366, 1369-72 (Fed. Cir. 2005), which held (over a dissent) that master software sent abroad may be deemed "supplied" from the United States for purposes of § 271(f). For their part, *Eolas* and *AT & T* distinguished but remain in palpable tension with *Pellegrini v. Analog Devices, Inc.*, 375 F.3d 1113, 1115-19 (Fed. Cir. 2004), which held that chips designed in the United States but manufactured abroad did *not* infringe under § 271(f) because the chips themselves were never made, used or sold in the United States or physically "supplied" from the United States.

Each of these cases has purported to distinguish the next, but the ultimate holdings are difficult to reconcile, and they lack a common analytical approach. Simply put, the Federal Circuit and litigants are greatly in need of direction from this Court, and this case would be an excellent vehicle for providing such direction.[2]

---

[2] NTP has contended that RIM infringes the system and method claims under § 271(f) as well as § 271(a). To the extent

C. It Is Up to Congress to Extend the Extraterritorial Reach of United States Patent Law—and When Congress Has Done So, It Has Done So Narrowly and with Carefully Crafted Limitations

One overarching principle of statutory construction should govern the scope of transnational patent infringement: the patent laws of the United States are limited to devices operating entirely within the United States and activities taking place entirely within the United States, except where Congress has expressed a clear intention to extend the scope of liability extraterritorially.

The principle that American statutes are presumed to extend only to acts occurring and things located within American borders is well settled. As a general rule, "Congress legislates against the backdrop of the presumption against extraterritoriality," and thus "legislation of Congress, unless a contrary intent appears, is meant to apply only within the territorial jurisdiction of the United States." *EEOC v. Arabian Am. Oil Co.*, 499 U.S. 244, 248 (1991) (citation omitted). The presumption of domestic scope is even more firmly established in the context of patent infringement, where the Patent Act has long limited liability to acts and items "within the United States." *See Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518, 527-32 (1972) (complete "assembled or functioning whole" must be made, used or sold inside this country to infringe); *Dowagiac Mfg. Co. v. Minn. Moline Plow Co.*, 235 U.S. 641, 650 (1915) (sales of drills in Canada could not infringe U.S. patent); *see also Brown v. Duchesne*, 60 U.S. 183, 194-98 (1857) (American patent did not cover improvements to ships that had been fitted in foreign ports, even when such ships entered American ports).

---

that review of this case would clarify the scope of § 271(f) as well as § 271(a), all the better, but the § 271(a) issues are certworthy by themselves.

The reason for this wise rule goes beyond the usual salutary principles of judicial restraint. Congress and the President are far better equipped than the courts to weigh the difficult policy issues posed by international activities. Legislation in this area requires harmonizing American and foreign patent systems with due regard for delicate issues of international comity and treaty obligations. Broadly construing U.S. patent liability runs the serious risk of offending other countries and causing difficulties for domestic businesses that, like Intel, operate outside the United States.

Accordingly, this Court has required a "clear and certain signal" from Congress before finding that an act taken or a device located abroad infringes a U.S. patent. *Deepsouth,* 406 U.S. at 531. The Federal Circuit candidly acknowledged the lack of such a clear signal here, saying that "it is unclear from the statutory language how the territoriality requirement limits direct infringement where the location of at least a part of the 'patented invention' is not the same as the location of the [allegedly] infringing act." 418 F.3d at 1315. That should have been the end of NTP's infringement claims. Unfortunately, the Federal Circuit forged ahead, construed § 271(a) broadly, and held that RIM infringes even though the core "relay" component of RIM's system is located in Canada.

To make matters worse, the Federal Circuit's "control and beneficial use" test and its expansion of § 271(a) have no basis in the statutory text and no clear limiting principle. Indeed, it might apply even when most or all of a transnational system operates abroad. That is significant because when Congress *has* extended the scope of the Patent Act to cover activities occurring outside the United States, it has done so expressly and narrowly, with carefully crafted statutory limitations. In each case, the expansion of infringement liability was statutory, targeted to particular concerns, and contained provisions designed to contain the scope of added liability:

- § 271(f)(1) is limited to supplying components from the United States in order to "actively induce the combination of such components outside of the United States in a manner that would infringe the patent if such combination occurred within the United States";
- § 271(f)(2) is limited to supplying components known to be "especially made or especially adapted for use in the invention," and it also requires an "inten[t] that such component will be combined outside of the United States in a manner that would infringe the patent if such combination occurred within the United States";
- § 271(g) provides remedies against importing products made by patented processes, but not when the product is "materially changed by subsequent processes" or "becomes a trivial and nonessential component of another product"; and
- § 105 provides that inventions "made, used or sold in outer space" are deemed "made, used or sold within the United States" if, but only if, the activity occurs "on a space object or component thereof under the jurisdiction or control of the United States"—and even then the statute contains exceptions for foreign-registered craft and matters addressed in international agreements.

The Federal Circuit's expansion of § 271(a) is a dangerous precedent that should be corrected by this Court. Otherwise, other nations may react to this expansion of American patent law by asserting their own (sometimes inconsistent) patent laws against transnational activities of American companies. The wiser approach is to leave it to Congress and the President to assess the competing policy concerns and to work out the proper political and diplomatic balance.

D. There Is No Need for the Courts to Expand § 271(a) to Cover Systems Spanning Multiple Countries

The Federal Circuit's holding may, as NTP suggests (at 21, 24) have been animated by a concern that a strict domestic construction of § 271(a) would result in international "dead zones" or "no man's lands" where inventors have no rights. That fear is misplaced for two reasons.

To begin with, patentees can readily avoid having transnational infringement "fall between the cracks" by drafting claims directed to systems of fewer components. Patent drafters are already taught to include claims covering individual components and various subcombinations of components as well as claims addressed to entire systems. *See, e.g.*, Robert C. Faber, *Landis on Mechanics of Claim Drafting* § 59 (4th ed. 1996). That approach minimizes the risk that no single person or entity may use the entire system. For example, in a system involving both transmitting and receiving components, applicants typically would include separate claims directed to each because the transmitting and receiving may be done by different people. The same technique of including claims with various combinations of limitations can address the possibility that some actions may take place domestically while others occur abroad.

In this case, for example, the patentees could have sought coverage in the United States for transmission and switching functions that occur in the United States. Instead, they chose to claim complete systems with many components and ran the risk that such systems would not be practiced entirely within this country. *Cf. Chef Am., Inc. v. Lamb-Weston, Inc.*, 358 F.3d 1371, 1374 (Fed. Cir. 2004) ("we construe the claim as written, not as the patentees wish they had written it"). Imposing such a drafting burden on patentees is not unfair. Indeed, under the Federal Circuit's decision, patentees already will face similar issues in drafting method claims. Moreover, as

the Federal Circuit itself has recognized, 35 U.S.C. § 112 "puts the burden of precise claim drafting squarely on the applicant." *In re Morris,* 127 F.3d 1048, 1056 (Fed. Cir. 1997).

In any event, should any "loophole" prove significant, Congress and the President are best situated to solve the problem. Contrary to NTP's suggestion, no one is arguing that the political branches are powerless to enact statutes or adopt treaties addressing transnational patent liability. Indeed, they did so in § 271(f) and (g). The fact of the matter, however, is that RIM's conduct does not fall within those provisions. Thus, the question here is whether the courts should distort the basic liability provision, § 271(a), to cover activities occurring in multiple countries. The Federal Circuit said yes. This Court should now take review and say *no.*

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

Joel W. Nomkin, *Counsel of Record*
Jonathan M. James
Dan L. Bagatell

PERKINS COIE BROWN & BAIN P.A.
2901 N. Central Avenue, Suite 2000
Phoenix, Arizona 85012-2788

Counsel for Intel Corporation

January 4, 2006